

# City of Carmel-by-the-Sea 2007-2014 Housing Element



Prepared for



Prepared by



April 2010



# **2007-2014 Housing Element DRAFT**

**For the City of  
Carmel-by-the-Sea**



**April 2010**



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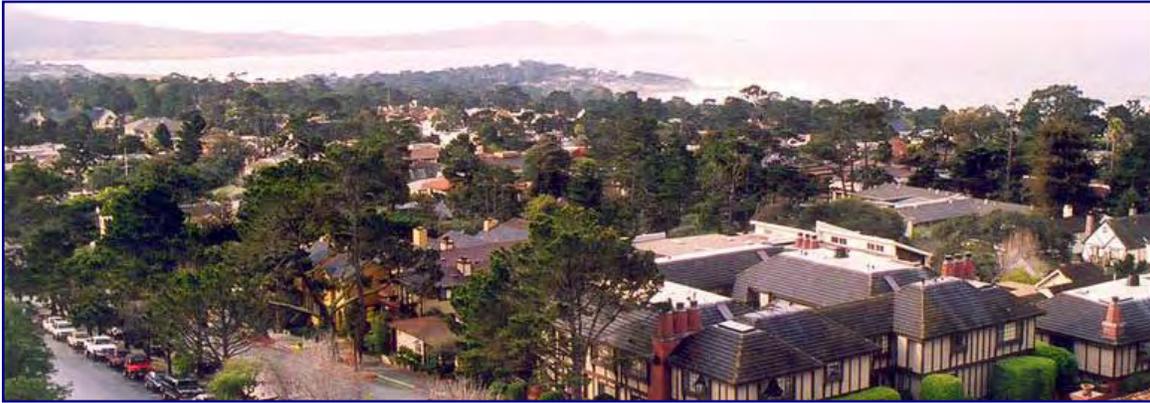


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# 1 INTRODUCTION



The Housing Element documents the existing and projected future housing needs in the community, particularly the availability, affordability, and adequacy of housing. Policies and programs in the Element serve as strategies to address housing needs across the full economic and social spectrum of the community.

## 1.1 Purpose of the Housing Element

The Housing Element is designed to achieve the following:

- Identify adequate sites for a range of housing types;
- Assist in the development of adequate and affordable housing;
- Address constraints to meeting the City's housing needs;
- Conserve and improve the condition of existing housing; and
- Promote housing opportunities for all persons.

This Housing Element contains goals, policies, and programs that cover the planning period of July 1, 2007 through June 30, 2014 as established by the California Department of Housing and Community Development (HCD).

## 1.2 State Law and Local Planning

### 1.2.1 Consistency with State Law

The Housing Element is one of the seven General Plan Elements mandated by the State of California, as articulated in Sections 65580 to 65589.8 of the California



Government Code. State Law requires that each jurisdiction's Housing Element consist of "an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled program actions for the preservation, improvement, and development of housing." The Housing Element plans for the provision of housing for all segments of the population.

Section 65583, *et seq.* of the Government Code sets forth specific requirements regarding the scope and content of the Housing Element. [Table 1-1: State Housing Element Requirements](#) summarizes these requirements and identifies the applicable sections in the Housing Element where these requirements are addressed.



**Table 1-1: State Housing Element Requirements**

Required Housing Element Component	Reference
<b>A. Housing Needs Assessment</b>	
1. Analysis of population trends in Carmel-by-the-Sea in relation to countywide trends	Appendix A, A.1.1
2. Analysis of employment trends in Carmel-by-the-Sea in relation to regional trends	Appendix A, A.1.4
3. Projections and quantification of Carmel-by-the-Sea's existing and projected housing needs for all income groups	Appendix A
4. Analysis and documentation of Carmel-by-the-Sea's housing characteristics, including:	Appendix A, A.2
a. Overpayment	Appendix A, A.3.6
b. Overcrowding	Appendix A, A.3.6
c. Housing conditions	Appendix A, A.3.3
5. Analysis of land suitable for residential development	Section 2, 2.1
6. Analysis of governmental constraints upon housing	Appendix B, B.1
7. Analysis of nongovernmental constraints upon housing	Appendix B, B.8
8. Analysis of special housing needs	Appendix A, A.4
9. Analysis of emergency shelters	Appendix B, B.2
10. Analysis of opportunities for energy conservation	Section 2, 2.3
11. Analysis of assisted housing developments that are eligible to change from low income housing during the next 10 years	Appendix A, A.5
<b>B. Goals and Policies</b>	
12. Identification of Carmel-by-the-Sea's goals, quantified objectives and policies relative to the maintenance, improvement and development of housing	Section 3
<b>C. Implementation Program</b>	
13. Identification of adequate sites which will be made available through appropriate action to accommodate a variety of housing types for all income levels	Section 3
14. Identification of programs to assist in the development of adequate housing to met the needs of low and moderate-income households	Section 3
15. Identification of opportunities to remove governmental constraints to the maintenance, improvement, and development of housing	Section 3
16. Identification of opportunities to remove constraints and/or provide reasonable accommodations for housing for persons with disabilities	Section 3
17. Identification of opportunities to conserve and improve the condition of the existing affordable housing stock	Section 3
18. Identification of programs to promote housing opportunities for all persons	Section 3
19. Identification of programs to address the potential conversion of assisted housing development to market-rate housing	Section 3
20. Identification of programs to identify zones where emergency shelters are permitted	Section 3

### 1.2.2 General Plan Consistency

According to State planning law, the Housing Element must be consistent with other General Plan Elements. While each of the Elements is independent, they are also interrelated. Certain goals and policies of each Element may also address issues that are primary subjects of other Elements. This integration of



issues throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals. The Housing Element is most closely tied to the Land Use and Community Character Element. Residential locations and densities established in that Element are consistent with the policies and programs incorporated into this Housing Element.

This Housing Element builds upon other General Plan Elements and is consistent with the policies and programs set forth by the General Plan. Whenever any Element in the General Plan is amended, the Housing Element will be reviewed and modified, if necessary, to ensure continued consistency between Elements.

### 1.2.3 Relationship to Other Plans and Programs

The Housing Element identifies goals, policies, action programs and objectives that directly address the housing needs of Carmel-by-the-Sea. There are a number of City plans and programs which work to implement the goals, policies, action programs and objectives of the Housing Element.

### 1.2.4 Organization of the Housing Element

The Housing Element has been organized into the following sections:

- **Introduction** (Section 1) – describes the purpose of the Housing Element, community context, and public participation process;
- **Housing Resources** (Section 2) - evaluates land, financial, and administrative resources to address housing needs in the community;
- **Goals, Policies and Programs** (Section 3) - identifies the City's housing goals, policies, programs and objectives to achieve those goals.
- **Housing Needs Assessment** (Appendix A) - describes the City's population characteristics, housing characteristics, and existing and projected housing needs;
- **Housing Constraints** (Appendix B) - assesses potential market, governmental, and environmental constraints to the development, maintenance, and improvement of housing;
- **Housing Accomplishments** (Appendix C) - reviews and analyzes progress made in achieving housing goals in the 2003 Housing Element; and
- **Workshop Summary and Comments** (Appendix D) – contains comments received during the public outreach process.

## 1.3 Community Context

Carmel-by-the-Sea is a small coastal community located on the Monterey Peninsula near the cities of Monterey, Pacific Grove, and the unincorporated communities of Pebble Beach and Carmel Valley. Compared to surrounding



cities, Carmel is relatively young, incorporated in 1916. A strong residential character and centralized business district took hold during a period of rapid growth during the 1920s and 1930s. In addition to Carmel's abundant natural resources and amenities, this developmental period was critical in establishing the unique character of the community that attracts residents, visitors, and businesses to Carmel today.

By 1940, the City had a population of about 2,800 persons in 1,575 housing units. Housing and population growth slowed after the 1940s, increasing in population by only 1,400 in 50 years, to a height of 4,239 persons in 1990. The City, with a population of 4,081 in 2000, is one of the least populated of the Peninsula cities.

Carmel-by-the-Sea supports a wide variety of housing types and sizes in its residential and commercial districts. Eighty-three percent of the housing stock is comprised of single-family detached homes located in the R-1 zoning district. Multi-family developments are scattered throughout the R-4 and Commercial zoning districts and represent the second largest segment of the housing stock.

Due to existing land use patterns, high housing demand and costs, limited vacant land, and environmental constraints, the City of Carmel-by-the-Sea is faced with several obstacles to providing a variety of housing types, including affordable housing. Opportunities for development of housing, including infill development, conversion of commercial uses to residential, and addition of new residential uses above existing commercial space, will be actively identified and pursued.

## **1.4 Public Participation**

Public participation played an important role in the formulation of this Housing Element. Community outreach and activities are described in more detail below.

### **1.4.1 Community Workshop**

A community workshop was held on March 24, 2009 in the Vista Lobos Complex community room. The purpose of the workshop was to provide information on the Housing Element update process to the community and elicit ideas on opportunities and constraints related to housing in Carmel-by-the-Sea. A summary of comments received is included in Appendix D.

The workshop was advertised to the community through flyers, a notice in the newspaper, and direct mailings to interested agencies and parties identified below.

### **1.4.2 Planning Commission Meeting**

A Planning Commission Meeting was held on June 10, 2009 at the City Hall City Council Room. The purpose of the meeting was to receive comments from the Planning Commission as well as the public on the Draft Housing Element, prior to submittal to the HCD.

During the meeting, the Planning Commission and the public were provided with an overview of the Housing Element Update process and content. The focus of the meeting was on the Goals, Policies, and Programs proposed in the Draft Housing Element. The Planning Commission asked for clarification of the



Adequate Sites Analysis and the options considered in meeting the remaining RHNA need. In addition, the Planning Commission and the public provided comments related to policy language, which resulted in clarification of policy intent.

### **1.4.3 Other Means of Participation**

During the 60-day review by the California State Department of Housing and Community Development (HCD), the Draft Housing Element will be available for review at the library and on the City's website. Notifications will be mailed out to these individuals and organizations that expressed interest in commenting on the Draft Housing Element.

In addition, public hearings will be held before both the Planning Commission and City Council prior to the adoption of this Housing Element. Notifications will be published in the local newspaper in advance of each hearing.

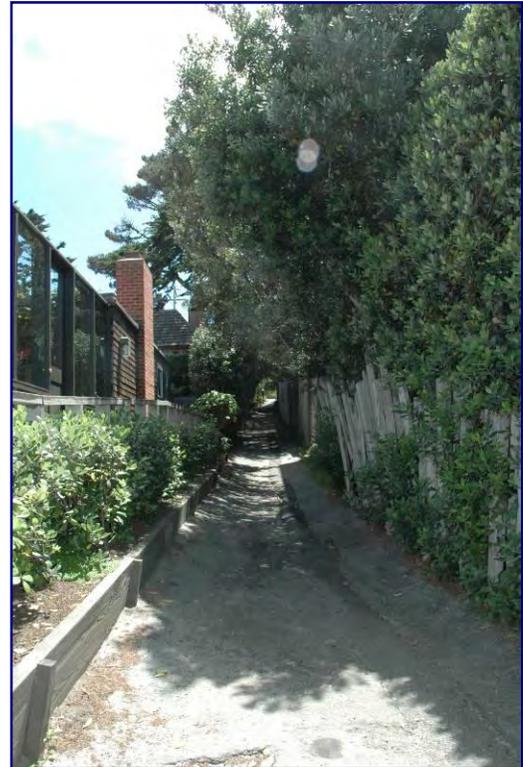
### **1.4.4 Agencies and Interested Parties**

The following agencies and interested parties were individually invited to participate during the Housing Element update:

- Alliance on Aging– senior services and housing programs
- American Red Cross (Carmel Chapter)– emergency shelter services
- Apartment Association of Monterey County
- Association of Monterey Bay Area Governments (AMBAG)
- Carmel Chamber of Commerce
- Carmel Foundation– senior housing, activities, education
- Carmel Residents Association– local citizens organization
- Coalition of Homeless Services Providers
- Community Human Services
- Habitat for Humanity
- Housing Authority of Monterey County (HAMC) – regional housing services and programs
- LandWatch Monterey County– environmental advocacy organization
- Monterey County Association of Realtors
- Monterey County Housing & Redevelopment
- Shelter Outreach Plus- homeless services



## 2 HOUSING DEVELOPMENT RESOURCES



This section of the Housing Element describes and analyzes the resources available to the City of Carmel-by-the-Sea for the development, rehabilitation, and preservation of housing.

### 2.1 Adequate Sites Analysis

State Housing Element Law requires that cities demonstrate they have adequate sites to meet their housing obligations. An analysis of land resources must be completed and take into consideration zoning, development standards, and the availability of public services and facilities to accommodate a variety of housing types. The City must demonstrate that it has capacity or adequate sites to accommodate the projected need for housing.

The State Department of Finance (DOF) is responsible for projecting the total statewide housing demand, with the State Department of Housing and Community Development (HCD) apportioning this demand to each of the state's regions. This demand represents the number of additional units needed to accommodate the anticipated growth in the number of households, to replace expected demolitions



and conversions of housing units to non-housing uses, and to achieve a future vacancy rate that allows for healthy functioning of the housing market.

The Association of Monterey Bay Area Governments (AMBAG) in cooperation with the local jurisdictions is tasked with the responsibility of allocating the region's projected new housing demand to each jurisdiction. The allocation is further divided into four income categories:

- Very-Low Income – 0% to 50% of the median income;
- Low Income – 51% to 80% of the median income;
- Moderate Income – 81% to 120% of the median income; and,
- Above-Moderate Income – more than 120% of the median income.

This process is known as the Regional Housing Needs Allocation (RHNA), and the goals are referred to as either the RHNA goals or the “regional share” goals for new housing construction. The allocation takes into account factors such as market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and others. In determining a jurisdiction's share of new housing needs by income category, the allocation is adjusted to avoid an over-concentration of lower income households in any one jurisdiction.

The AMBAG has adopted a Regional Housing Needs Allocation Plan for its member jurisdictions. For Carmel-by-the-Sea, the plan establishes the City's share of regional housing growth needs as 32 additional units for the period of 2007 to 2014. [Table 2-1: Regional Housing Needs Allocation](#) displays the breakdown of this housing need by income group based on the median family income (MFI). According to the draft plan, 12 units affordable to very low and low income households (less than 80 percent of the MFI) are needed. Rounding out the total housing need are six units affordable to moderate income households (80 to 120 percent of the MFI) and 14 units affordable to above moderate income households (more than 120 percent of the MFI).

As a result of recent legislation (AB 2634), cities must also analyze and plan for the growth needs of the extremely low income category (30 percent or less of the median income). The extremely low income growth need is assumed to be 50 percent of the very low income allocation.



**Table 2-1: Regional Housing Needs Allocation 2007-2014**

Income Category	Number of Units
Extremely Low Income (30 or less of the MF) <sup>1,2</sup>	4
Very Low Income (0-50 percent MF)	7
Low Income (51 to 80 percent AMI)	5
Moderate Income (81 to 120 percent AMI)	6
Above Moderate Income (Less than 120 percent AMI)	14
<b>Total</b>	<b>32</b>
Notes:	
<sup>1</sup> Regional share of extremely-low income units is assumed to be 50 percent of the very-low income units.	
<sup>2</sup> The extremely-low income allocation is a subset of the very-low allocation and is not added to the total construction need.	
Source: AMBAG, Regional Housing Needs Allocation Plan 2007-2014.	

### 2.1.1 Construction Achievements as of January 2009

To determine the regional housing needs for the 2007-2014 planning period, the needs are adjusted by the actual number of units constructed from January 1, 2007 to the current period (December 31, 2008), or a total of 9 dwelling units. These units are market rate units and are assumed to be affordable to above moderate income households. Detailed permit information is included in [Table 2-2: Summary of Units Built as of January 2009](#). The locations of these units are shown on [Exhibit 2-1: Units Built and Entitled as of January 2009](#). Based upon this adjustment, the regional housing need for 2007-2014 is 23 housing units, with the allocations based on income category shown in [Table 2-3: Adjusted RHNA Allocations](#).

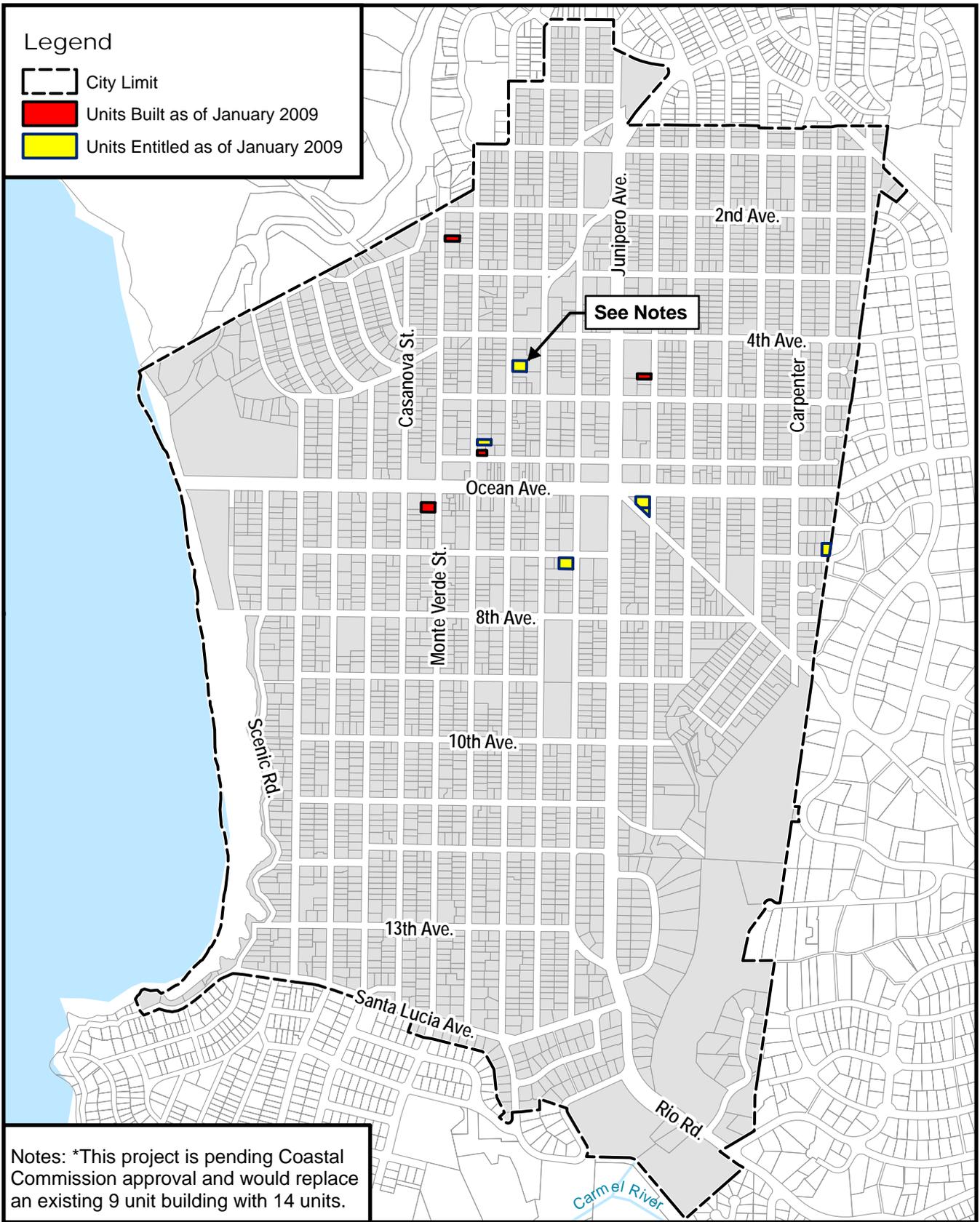
**Table 2-2: Summary of Units Built as of January 2009**

APN	Permit Number	Project Name	Block/Lot	Zoning	Units	Affordability Restrictions
010-138-008	07-61C	Mac Donald	Blk 55/Lot 20	CC	1	Above Moderate
010-096-011	07-107R	Gull	Blk 48/Lot 17	R-4	4	Above Moderate
010-196-002	07-200C	Levett	Blk A/Lot 5	RC	2	Above Moderate
010-221-013	06-205R	H&N	Blk 31/Lot 10	R-1	1	Above Moderate
009-201-011		Smith	Blk 2/Lot 10	R-1	1	Above Moderate
<b>Total</b>					<b>9 Dwelling Units</b>	
Notes:						
Zoning Designations:						
CC- Central Commercial						
R-4- Multifamily Residential						
RC- Residential and Limited Commercial						
R-1- Single Family Residential						
Source: Carmel-by-the-Sea Planning Department, 2009.						

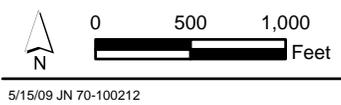


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Source: City Carmel-by-the-Sea (2008)



CARMEL-BY-THE-SEA HOUSING ELEMENT  
**Units Built & Entitled as of January 2009**



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**Table 2-3: Adjusted RHNA Allocations.**

Income Category	2006-2014 RHNA Need	Construction Achievements <sup>1</sup>	Adjusted RHNA Need
Extremely- Low <sup>2</sup>	4	0	4
Very-Low	7	0	7
Low	5	0	5
Moderate	6	0	6
Above- Moderate	14	9	5
<b>Total</b>	<b>32</b>	<b>9</b>	<b>23</b>
Notes:			
<sup>1</sup> Based on building permits "finalized" through December 31, 2008. Does not include projects currently under construction or in the review and entitlement process.			
<sup>2</sup> The allocation for extremely-low income units is assumed to be 50% of the very-low income allocation. The allocation is a subset of the very -low income allocation and is not added to the total construction need.			
Source: City of Carmel-by-the-Sea Planning Department			

## 2.1.2 Capacity to Meet Regional Share Goals

### Entitled Residential Projects to Date (January 2009)

There are a number of residential projects that are "in-the-pipeline." These projects are entitled, but have not been constructed yet. As indicated in [Table 2-4: Units Entitled as of January 2009](#), Carmel currently has 14 dwelling units entitled for development that have not yet been submitted for building permits. These entitled units include: 7 units restricted for low income households and 7 units affordable to above moderate income households. The location of these units is shown in [Exhibit 2-1: Units Built and Entitled as of January 2009](#).

**Table 2-4: Units Entitled as of January 2009**

APN	Block/Lot	Zoning	Project Name/ Description	Units	Acreage	Affordability Level <sup>1</sup>	Existing Use
010-085-005	Blk 79/Lot All	R-1	Forest Cottages	4	.23	Above Moderate	Motel
010-085-003	Blk 79/Lot All	R-1	Forest Cottages	2	.7	Low	Motel
010-138-010	Blk 55/Lot 16	SC	Boutonnet	1	.09	Above Moderate	Commercial
010-142-001	Blk 90/Lot 1&3	SC	B of A	2	.18	Above Moderate	Commercial
010-136-0132	Blk 51/Lot 10&12	RC	Trevvett C <sup>3</sup>	5	.18	Low	Senior Housing (9 dwelling units)
<b>Total</b>				<b>14</b>			
Notes:							
<sup>1</sup> Units allocated to very-low, low and moderate income categories have been restricted to households that meet the income requirements for these categories. Units allocated to the above moderate income category include all market rate units that are not income restricted.							
<sup>2</sup> This project is pending Coastal Commission approval and will replace an existing 9 unit building with 14 units for a net increase of 5 units.							
<sup>3</sup> Project currently under construction as of November 23, 2009							
Zoning Designations:							
R-1- Single Family Residential							
RC- Residential and Limited Commercial							
SC- Service Commercial							
Source: City of Carmel-by-the-Sea Planning Department, 2009.							



## Vacant Land

There is limited vacant land in Carmel available for residential development. While the City is primarily built out, scattered vacant sites can be found throughout the City. These sites are primarily zoned for single-family residential development.

The vacant residential land in Carmel has the capacity to accommodate 74 dwelling units. Seventy units could be accommodated on parcels zoned for single-family residential use. Based on the densities permitted in these areas, the units would be affordable to above-moderate income households. Four units could be accommodated on vacant parcels zoned SC or RC. However, these parcels are relatively small and multifamily development is unlikely. Therefore, these units would be affordable to above-moderate income households.

Table 2-5 summarizes the vacant parcels permitting residential development. [Exhibit 2-2: Vacant Parcels](#) shows the location of the vacant land.

**Table 2-5: Vacant Land Permitting Residential Development**

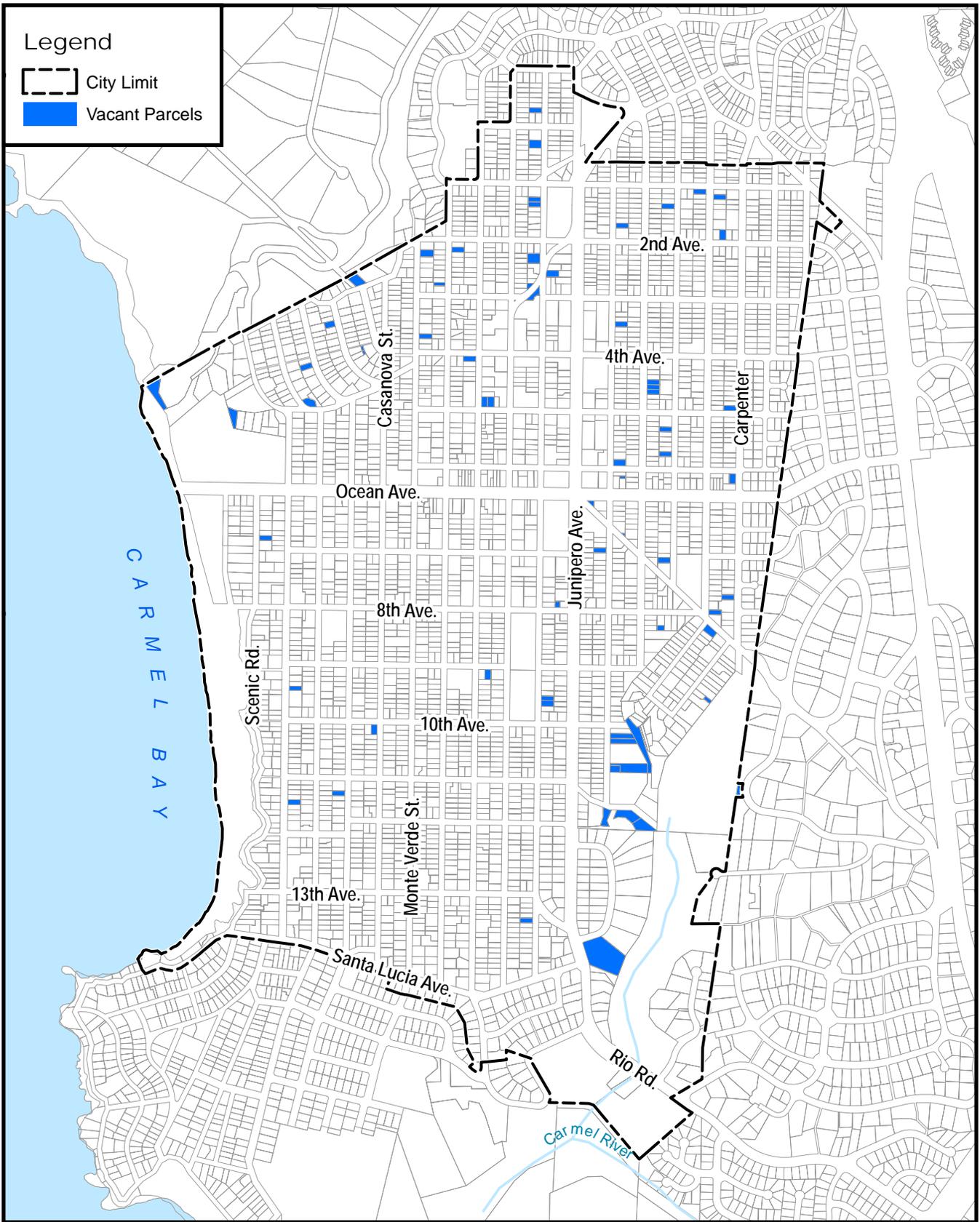
APN	Zoning	General Plan	Acreage	Permitted Density	Estimated Units	Notes
010115016000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010114002000	R-1	SFR	0.15	1 du/4,000 sq. ft.	1	
010121021000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010121017000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010122020000	R-1	SFR	0.03	1 du/4,000 sq. ft.	1	
010122003000	R-1	SFR	0.18	1 du/4,000 sq. ft.	1	
010128013000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010221008000	R-1	SFR	0.05	1 du/4,000 sq. ft.	1	
010221015000	R-1	SFR	0.14	1 du/4,000 sq. ft.	1	
010222007000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010232046000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010241027000	R-1	SFR	0.12	1 du/4,000 sq. ft.	1	
010241008000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010137020000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010108020000	R-1	SFR	0.12	1 du/4,000 sq. ft.	1	
010101012000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010027004000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010026001000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010021022000	R-1	SFR	0.10	1 du/4,000 sq. ft.	1	
010021013000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010038006000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010038002000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010033005000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010037010000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010037011000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010037012000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010092017000	R-1	SFR	0.11	1 du/4,000 sq. ft.	1	
010103012000	R-1	SFR	0.10	1 du/4,000 sq. ft.	1	
010045009000	R-1	SFR	0.10	1 du/4,000 sq. ft.	1	



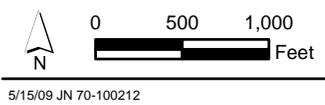
APN	Zoning	General Plan	Acreage	Permitted Density	Estimated Units	Notes
010042027000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010042025000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010055004000	R-1	SFR	0.06	1 du/4,000 sq. ft.	1	
010076014000	R-1	SFR	0.11	1 du/4,000 sq. ft.	1	
010076015000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010052021000	R-1	SFR	0.13	1 du/4,000 sq. ft.	1	
010331032000	R-1	SFR	0.10	1 du/4,000 sq. ft.	1	
010331005000	R-1	SFR	0.39	1 du/4,000 sq. ft.	4	Subdivision required.
010331003000	R-1	SFR	0.19	1 du/4,000 sq. ft.	2	Subdivision required.
010331002000	R-1	SFR	0.17	1 du/4,000 sq. ft.	1	
010331010000	R-1	SFR	0.49	1 du/4,000 sq. ft.	5	Subdivision required.
010156020000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010073011000	R-1	SFR	0.26	1 du/4,000 sq. ft.	2	Subdivision required.
010073010000	R-1	SFR	0.29	1 du/4,000 sq. ft.	3	Subdivision required.
010073008000	R-1	SFR	0.16	1 du/4,000 sq. ft.	1	
010162004000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010272017000	R-1	SFR	0.08	1 du/4,000 sq. ft.	1	
010274002000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010279012000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010277017000	R-1	SFR	0.08	1 du/4,000 sq. ft.	1	
010311017000	R-1	SFR	0.09	1 du/4,000 sq. ft.	1	
010321042000	R-1	OS/R	0.17	1 du/4,000 sq. ft.	1	
010233003000	R-1	SFR	0.20	1 du/4,000 sq. ft.	2	Subdivision required.
010123015000	R-1	SFR	0.10	1 du/4,000 sq. ft.	1	
010031021000	R-1		0.09	1 du/4,000 sq. ft.	1	
010084034000	R-1		0.09	1 du/4,000 sq. ft.	1	
009361001000	R-1-C-20	SFR	1.47	1 du/ 20,000 sq. ft.	3	Subdivision required.
010136019000	SC	C	0.10	22 du/ac	2	
010136020000	SC	C	0.09	22 du/ac	1	
010087020000	RC		0.05	22 du/ac	1	
<b>Total</b>					<b>74 dwelling units</b>	



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Source: City Carmel-by-the-Sea (2003)



CARMEL-BY-THE-SEA HOUSING ELEMENT  
**Vacant Parcels**



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## Potential for Mixed Use Development

The City permits by-right multifamily development with densities up to 22 du/ac in the commercial (CC, SC and RC) zoning districts. The units may be in stand-alone multifamily projects or within mixed use developments. The City's zoning code does not establish a minimum density requirement for these zones. Densities up to 44 du/ac are permitted, subject to a conditional use permit, when the development includes affordable housing. The development standards in the CC, SC and RC zoning districts are designed to provide maximum flexibility for development to achieve the maximum density standards. There are setback requirements only when the property faces the RC or a residential zone. The maximum lot coverage is designed to allow projects to achieve and exceed densities of 22 du/ac. Only one parking space per unit is required in the SC and CC zones and 1.5 spaces per unit in the RC zone regardless of the unit size.

To prevent the loss of existing residential units within the commercial zoning districts and to encourage the construction of new residential units, the City prohibits the conversion of existing second-floor residential floor space to commercial use and requires newly constructed floor space at the second floor to be used as residential units.

There are a number of opportunities for redevelopment of existing commercial uses to mixed use projects in the CC, SC and RC zoning districts. Redevelopment may occur through demolition and construction of new buildings or through conversion of upper floor commercial uses to residential uses.

**Table 2-6: Mixed-Use Capacity** provides a comprehensive list of the parcels in the commercial districts that have capacity for residential development either through construction of additional building space for residential use or conversion of upper floor commercial uses to residential. The locations of these parcels are shown in **Exhibit 2-3: Mixed-Use Capacity**. Parcels unlikely to redevelop due to existing hotel/motel uses (which are protected under the City's Local Coastal Program) or that are too small to accommodate additional residential units were excluded from the list. Parcels with existing historic resources or in areas where an increase in floor area or height would be incompatible with surrounding buildings were also excluded. The City has identified the parcels on this list as having the greatest potential to redevelop during the planning period. The parcels within the SC, CC and RC zoning districts have a redevelopment capacity for approximately 78 additional dwelling units. Based on the density permitted by-right in these districts, these opportunities would provide for housing for lower and moderate-income households.

**Table 2-6: Mixed-Use Capacity**

APN	Zoning	Acreage	Permitted Density	Estimated Units	Existing Use
010142006000	RC	0.19	22 du/ac	4	Commercial-Shell
010191004000	RC	0.07	22 du/ac	1	Commercial-Shell
010146004000	CC	0.09	22 du/ac	1	Commercial-Shell
010141003000	CC	0.37	22 du/ac	8	Commercial-Restaurant
010146003000	CC	0.18	22 du/ac	3	Commercial-Shell



APN	Zoning	Acreage	Permitted Density	Estimated Units	Existing Use
010147003000	CC	0.09	22 du/ac	1	Commercial-Shell
010141006000	CC	0.27	22 du/ac	5	Commercial-Bank/Financial
010146002000	CC	0.18	22 du/ac	3	Commercial-Shell
010141009000	CC	0.07	22 du/ac	1	Commercial-Shell
010141007000	CC	0.28	22 du/ac	6	Commercial-Shell
010146001000	CC	0.15	22 du/ac	3	Commercial-Shell
010147018000	CC	0.31	22 du/ac	6	Commercial-Shell
010134005000	CC	0.08	22 du/ac	1	Commercial-Shell
010138019000	SC	0.19	22 du/ac	4	Commercial-Shell
010145008000	RC	0.19	22 du/ac	4	1-Story Office Buildings
010142004000	RC	0.09	22 du/ac	1	Mixed-Use Building
010142003000	RC	0.09	22 du/ac	1	Vacant
010142012000	SC	0.12	22 du/ac	2	Suburban Stores
010141011000	CC	0.09	22 du/ac	1	Parking Lot
010147010000	CC	0.09	22 du/ac	1	Commercial-Shell
010147015000	CC	0.06	22 du/ac	1	Commercial-Shell
010147013000	CC	0.08	22 du/ac	1	Commercial-Shell
010133004000	CC	0.15	22 du/ac	3	Commercial-Shell
010213002000	CC	0.06	22 du/ac	1	Commercial-Bank/Financial
010139001000	CC	0.09	22 du/ac	1	Commercial-Shell
010138006000	CC	0.13	22 du/ac	2	Mixed-Use Building
010132009000	CC	0.09	22 du/ac	1	Parking Lot
010098004000	SC	0.11	22 du/ac	2	Parking Lot
010097007000	SC	0.18	22 du/ac	3	Stores and Apartments
010142013000	SC	0.07	22 du/ac	2	Commercial
010148011000	RC	0.11	22 du/ac	2	Single-family Residential
010142010000	RC	0.08	22 du/ac	2	Commercial- Offices
<b>Total</b>				<b>78</b>	

Staff analysis of the sites with capacity for residential units in the CC, SC and RC zones identified the following sites that have the greatest potential to redevelop with residential uses within the planning period. While the estimated units shown in Table 2-6 are based on the by-right permitted density of 22 du/ac, all of the sites have the potential to be developed up to a density of 44 du/ac if affordable housing is provided.

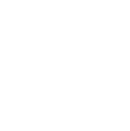
- APN 010-191-004. The property is currently significantly underdeveloped. The building was originally constructed in 1950 (approximately 60 years old) and has a floor area ratio of approximately 47 percent, compared to the maximum allowed of 80 percent. Much of the site is developed with a surface parking lot. The building is currently used as an office space, but as there is little demand for commercial space in Carmel, it is likely that the site will be redeveloped with stand-alone housing as opposed to mixed-use.

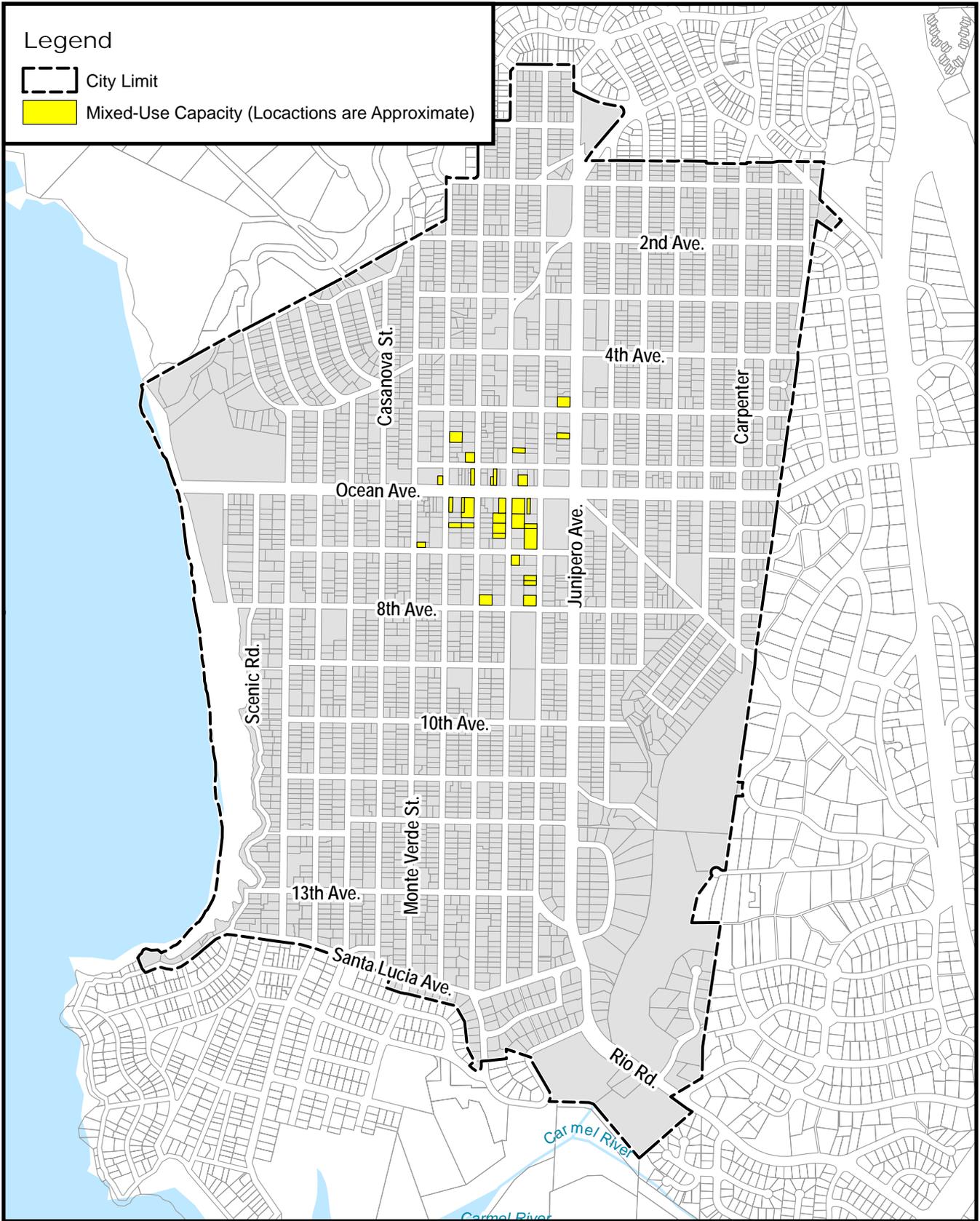


- APN 010-145-008. The property is currently significantly underdeveloped. The building was constructed in 1938 as a drive-inn market. The use was discontinued and currently operates as an office space. The existing floor area ratio is approximately 44 percent, compared to the maximum allowed of 80 percent. Much of the site is developed with a surface parking lot.
- APN 010-142-003. The property is currently vacant and for sale. This property currently has water credits, making it highly likely that the property will be purchased and developed within the near future.
- APN 010-141-003. The property is a 16,000 square foot site developed with one-story retail spaces. The property owner has expressed interest to add second-story residential uses to the site. At 22 units per acres, 8 units could be constructed. At 44 units per acre, 16 units could be constructed.
- APN 010-142-013. Property is currently underdeveloped and contains a building originally constructed in 1937. The property owner has had discussions with the City about adding at least two apartments on the second-story.
- APN 010-148-011. The site is currently developed with a small one-story single-family residence. The property is surrounded by multi-family units and commercial space. Highest and best use would be multi-family residential on the site.
- APN 010-142-010. The site is currently contains with a small office building and is underdeveloped. The building has a floor area ratio of approximately 40 percent compared to the maximum allowed of 80 percent. The building was constructed in 1927 and is need of rehabilitation. Residential would be the highest and best use at this location.

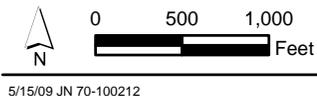


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Source: City Carmel-by-the-Sea (2008)



CARMEL-BY-THE-SEA HOUSING ELEMENT  
**Mixed-Use Capacity**

5/15/09 JN 70-100212



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### Potential for Development in the R-4 Zone

The capacity to accommodate new dwelling units on vacant parcels and through redevelopment in the commercial zones fulfills the City’s remaining RHNA need in the moderate and above-moderate income categories. The City’s remaining RHNA need of 7 dwelling units affordable to extremely-low and very-low income households can be accommodated through underutilized sites within the R-4 zone.

The R-4 zone permits multi-family development by-right up to 33 du/ac, consistent with the density standards appropriate for housing affordable to lower income households as outlined in AB 2348. Projects providing affordable housing may be allowed to develop up to 44 du/ac through the City’s Density Bonus Ordinance. The R-4 zone encompasses 5.81 acres. The City has identified three opportunity sites for residential development within the R-4 zone. City staff has identified these sites as having the greatest potential to redevelop with housing units during the planning period. The location of these sites is shown in [Exhibit 2-4: R-4 Opportunity Sites](#). These sites total approximately 0.44 acres. Detailed information on these sites is provided in [Table 2-7: Opportunity Sites](#).

**Table 2-7: Opportunity Sites**

APN	Block	Lot(s)	Acreage	Existing Use	Capacity <sup>1</sup>
010097003000	49	9 and 11	0.12	Office	3
010104003000	37	21, 22, 24, 26	0.23	Gas Station/Auto Repair	7
010109007000	36	14	0.09	Commercial/Residential	2
Notes:					
1 Capacity is calculated based on the maximum permitted density of 33 du/ac.					
Source: City of Carmel-by-the-Sea Planning Department					

All three sites are developed with non-conforming commercial uses with potential to be redeveloped with housing units. The sites are within a residential neighborhood and do not have any known environmental constraints that would render residential development unfeasible.

The City is nearly built-out and there is a limited opportunities to provide for new residential construction. As demand for housing in the City will continue, sites in residential neighborhoods with commercial uses such as those listed in Table 2-7 have been determined to have the greatest potential of being redeveloped with housing. The limited availability of vacant land, current market conditions for residential and commercial development and current development trends provide conditions that favor redevelopment of commercial uses with residential units in Carmel. As Carmel is a nearly built-out, the limited availability of raw land for residential development has increased the demand and feasibility of infill development. These conditions are attractive to investors likely to redevelop existing properties with for-sale or rental multifamily buildings. Long-time property owners are provided additional opportunities to increase the value of their property through developing new or additional residential units.

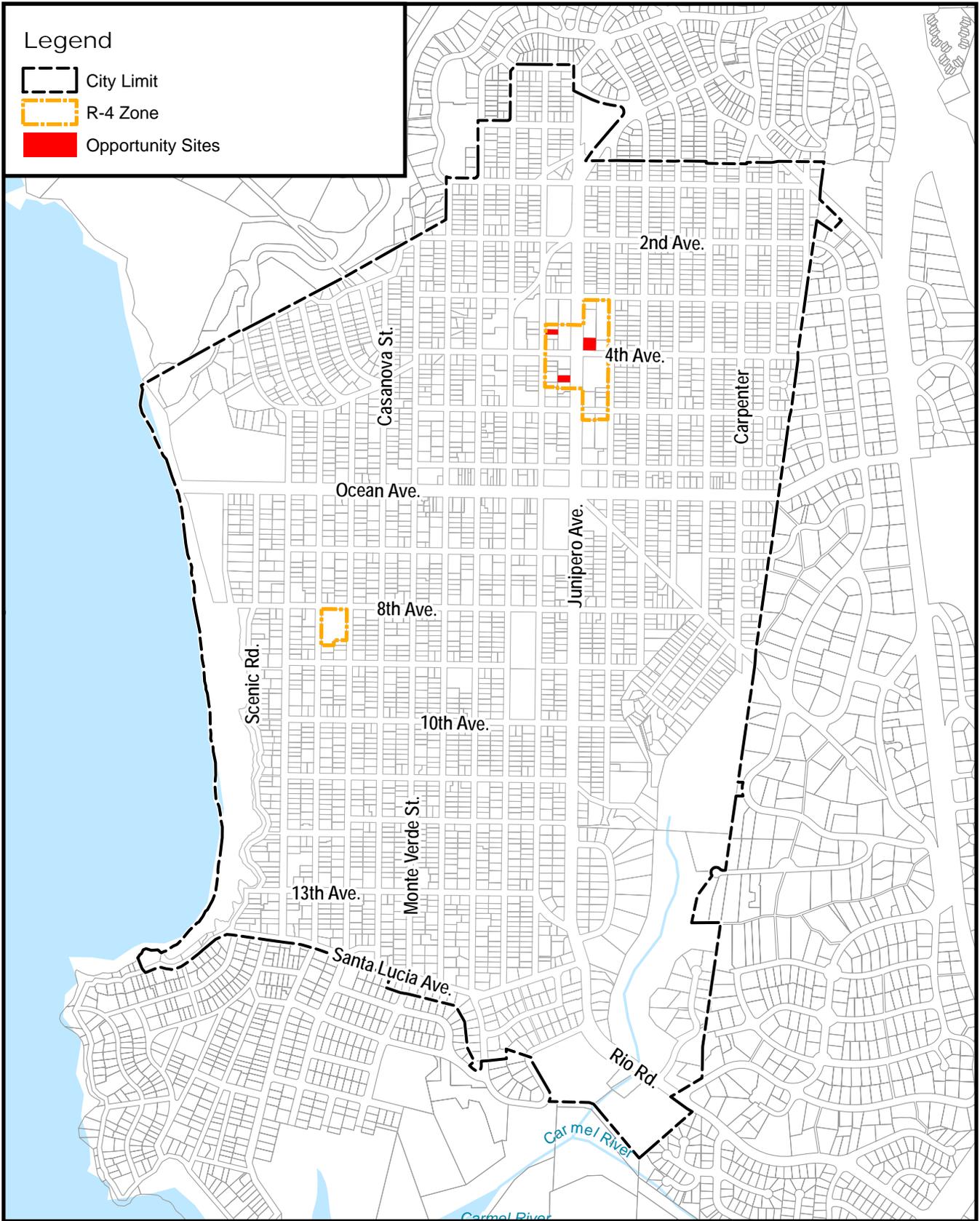


Table 2-7 provides a summary of opportunity sites that have been determined as providing the highest likelihood of redevelopment. The first site in Table 2-7 (Block 49, Lots 9 and 11) contains one building constructed in 1948. The building is in good condition, but is exclusively used as office space (a non-conforming use) in a multi-family residential district. The development trend has been to increase residential uses instead of commercial uses in Carmel. No new office buildings have been proposed in within the area in approximately 10 years, while numerous housing developments have been proposed. Non-conforming uses within residential neighborhoods such as this provide opportunities for redevelopment by property owners to maximize their improvement value.

The second site (Block 37, Lots 21, 22, 24 and 26) contains one building constructed in 1961. The building is in good condition, but is significantly smaller than what is presently allowed in the R-4 District. Redevelopment with residential units would maximize the use of the property. The property owner has informally approached the City with interest in redeveloping the property with residential uses.

The third site in Table 2-7 (Block 36, Lot 14) contains structures built in the 1920's that have exceeded the useful lifespan of the building materials and are prime candidates for replacement. The City has demonstrated a successful track record of working with housing providers such as those listed in Section 2.2: Financial and Administrative Resources to provide affordable housing on sites of similar size and with similar characteristics. These projects include the recently entitled Trevett Court which will provide 14 affordable units on 0.18 acres and the Oliver White building which includes a moderate income unit on a small site (4,000 square feet). Carmel is a built-out city and all of the residential lots in the city are small in size. The City utilizes partnerships with housing providers to develop affordable housing on these small sites. The City has not found small lot size to constrain the ability to provide for affordable housing as all of the affordable housing projects listed in Table A-32 are projects with less than 25 units.

The City recognizes the physical limitations of small sites in providing for affordable housing. The City's current development standards are consistent with small lot development standards and address this potential constraint by allowing the parcels to be developed to maximize the number of units on the site. For example, affordable housing projects are required to have only 0.5 parking spaces per unit, allowing for less space to be dedicated to parking and more space to be dedicated to the living spaces. The maximum base density within the R-4 zone is 33 du/ac and the City's Density Bonus allows for development up to 88 du/ac. The required setbacks are flexible and in some cases there are no required setbacks.



Source: City Carmel-by-the-Sea (2008)



6/17/09 JN 70-100212

CARMEL-BY-THE-SEA HOUSING ELEMENT  
**R-4 Opportunity Sites**



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## Sites Summary

Table 2-8 summarizes the units constructed and entitled in Carmel along with the capacity of vacant land, potential for mixed use development and the capacity created through the adequate sites program.

**Table 2-8: Sites Summary**

	<i>Extremely-Low Income<sup>1</sup></i>	<i>Very-Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above-Moderate Income</i>	<i>Total Units</i>
2007-2014 RHNA Need	4	7	5	6	14	32
Construction Achievements	0	0	0	0	9	9
Entitled Units	0	0	7	0	7	14
Vacant Land Permitting Residential	0	0	0	0	74	74
Potential for Mixed Use Development	78				0	78
Opportunity Sites in the R-4 Zone	12		0	0	0	12
<b>Total Achievements and Capacity</b>	<b>84</b>		<b>7</b>	<b>6</b>	<b>90</b>	<b>187</b>
Notes:						
1 The extremely low-income need is a subset of the very low-income allocation and is not included in the total construction need.						
Source: City of Carmel-by-the-Sea Planning Department						

## 2.2 Financial and Administrative Resources

Due to the City’s relatively high per capita income and lack of blighted conditions, the City is not generally competitive in applying and receiving state and federal housing funds. Instead, the City uses other methods of financing to provide housing programs and services in the community.

The City cooperates with non-profit organizations to encourage and facilitate assisted housing and housing services to the community. Public and non-profit agencies that serve as resources in the implementation of housing activities in Carmel are described below. These agencies play an important role in meeting the housing needs of the City. In particular, they are critical in the provision of affordable housing and the preservation of at-risk housing units in Carmel.

- Carmel Foundation – The Carmel Foundation is a non-profit organization for seniors located in Carmel-by-the-Sea. Through a long-term (30 year) lease of City-owned land at \$1 per year and private donations, the Carmel Foundation constructed and operates the 24-unit Norton Court Apartments, which provide affordable housing for seniors. The City has waived all application fees for the Carmel Foundation’s recently-approved Trevett Court Project, which will expand an existing affordable senior housing development from 9 units to 14 units.



- Alliance on Aging- The Alliance on Aging is a multi-service, nonprofit, community-based organization that has been serving the needs of seniors and their families since 1970. The following describe some of the services the Alliance provides to Carmel-by-the-Sea residents:
  - Information and Referral – provides a “one-stop shopping” experience for senior services, matching seniors and caregivers to appropriate services and public benefit programs and providing assistance with form/application completion.
  - Senior Homesharing - Brings unrelated adults together in shared living arrangements to solve a variety of housing-related problems faced by seniors in Monterey County. The program serves as a registry for both "home seekers" and "home providers." Staff provides guidance and assistance to potential housemates as they go through the process of identifying, screening and negotiating the terms of shared living arrangements with potential "housemates." Seniors who need affordable housing and seniors who want to provide free or reduced-cost housing in exchange for various kinds of assistance are the program's target clientele, but single parents, students, disabled adults and others in need of affordable housing or in-home services are also eligible
  - Friendly Visitor Program – links volunteers with seniors, providing telephone reassurance, respite for caregivers, grocery shopping, and limited escort services to medical appointments.
- Habitat for Humanity. Habitat for Humanity is a community service organization that renovates and builds homes with the goal of eliminating poverty and providing decent shelter for all. Through volunteer labor and tax-deductible donations of money and materials, Habitat for Humanity constructs or rehabilitates homes in partnership with the families that will become the owners of the properties. Rehabilitated or newly constructed homes are sold to the families for the cost of materials through a mortgage that does not include interest or profit. Since 1976, Habitat for Humanity has built more than 45,000 houses across the United States. Habitat for Humanity, Monterey County is located in Seaside and actively continues to work with jurisdictions to find and acquire appropriate properties for residential development and redevelopment.
- Seniors Helping Seniors. This volunteer program establishes daily contact with seniors living alone. Seniors volunteer to phone other seniors on a daily basis to check in on how they are doing and identify any concerns.

Due to developers' ability to earn a high profit margin on projects built in Carmel-by-the-Sea, City staff is also able to negotiate with for-profit developers to provide



affordable units as a component of and/or in addition to the primary project the developer is proposing. The City may offer incentives, such as reduced fees or parking standards, and/or a density bonus in order to facilitate development of affordable units. [Table A-32: Inventory of Assisted Rental Housing](#), in Appendix A of this Housing Element identifies affordable projects built by both for-profit and non-profit developers with the assistance of the City.

## 2.3 Opportunities for Energy Conservation

In recent years, California has experienced significant price escalation for energy use. In recognition, Title 24 of the California Administrative Code sets forth mandatory energy standards and an “energy budget” that developers must prepare for new residential developments. The City continues to require and enforce compliance with Title 24 in construction activities requiring a building permit. The City has adopted energy conservation standards in new developments, and local utilities also offer energy conservation programs for Carmel-by-the-Sea residents.

Carmel-by-the-Sea residents receive electric and gas service through the Pacific Gas and Electric Company (PG&E). PG&E offers a number of programs to financially assist lower-income and special needs customers. These programs are outlined below.

- CARE (California Alternate Rates for Energy) provides discounted rates for low-income households and housing facilities by providing an ongoing 20 percent discount on monthly energy bills. The CARE program is available for single-family households, multi-family and mobile home park residents, group quarter facilities, and employee and farm worker housing.
- REACH (Relief for Energy Assistance through Community Help) is a one-time energy assistance program sponsored by PG&E and administered through the Salvation Army. REACH helps low-income customers, who have experienced severe, uncontrollable, or unplanned hardship and need assistance with their energy bills. In general, recipients receive REACH assistance only once per year, but exceptions are made for seniors, persons with disabilities and the terminally ill.
- Energy Partners Program provides free assistance for home insulation and energy efficiency improvements for low-income individuals. Assistance includes window weather stripping, insulation, and furnace improvements.
- LIHEAP – Low Income Home Energy Assistance Program provides financial assistance for low-income individuals to offset the costs of heating and/or cooling residences and to have dwellings weatherized to make them more energy efficient. The LIHEAP Block Grant fund is provided by the State Department of Health and Human Services. Assistance is provided through the following three programs: 1) free weatherization service assistance; 2) financial assistance for energy



bills; and 3) payments for weather-related or energy-related emergencies.

PG&E also offers additional quantities of electricity at the lowest price to residential customers with certain severe medical conditions such as those requiring life support equipment, person with special heating needs, and those with life-threatening diseases.

### **2.3.1 Green Building Program**

To further promote energy efficiency, improve air quality, preserve natural resources and encourage sustainable construction practices the City has adopted a Green Building Ordinance. The purpose of the ordinance is to guide development in a sustainable manner, promote energy efficiency, improve air quality, preserve natural resources and encourage architectural design that is consistent with the City's diverse design traditions. The Green Building Ordinance establishes minimum point requirements, based on two green building checklists (residential & non-residential), that applicants must obtain in order to receive a building permit.

The ordinance does not become mandatory until August 1st, 2010. Incentives for projects that exceed the minimum point requirements will be established to further promote green building practices.

In a recent community survey, 57 percent of respondents either strongly agreed or somewhat agreed with the City developing green building standards for new construction in the City.



### 3 GOALS, POLICIES AND PROGRAMS



The City of Carmel-by-the-Sea has always been proud of its residential character and heritage. All of the General Plan Elements and the Housing Element in particular, strive to preserve, promote, and strengthen this unique residential character. This section of the Housing Element contains goals, objectives, polices and programs intended to meet the following objectives: 1) Conserve and improve existing housing and maintain the character and stability of Carmel's residential neighborhoods; 2) Identify adequate sites for a range of housing opportunities; 3) Assist in the development of affordable housing; 4) Promote housing opportunities for all persons and provide housing and services for special needs groups; and 5) Address constraints to meeting the City's housing needs.

#### 3.1 Goals, Policies and Programs

**Goal G3-1: Preserve the existing residential housing stock. (Existing- Goal G3-1)**

**Policy P3-1.1:** Continue and expand programs to assist homeowners in maintaining and improving existing housing units. **(Combined Existing Objectives O3-1 and O3-2)**

**Program 3-1.1.a: Housing Rehabilitation Information. (Existing- Policy P3-1, Program 1)** To increase awareness and use of housing rehabilitation programs and funds and City's Residential Inspection Services, the City will develop and distribute information on the Inspection Services, Housing Rehabilitation programs available through Monterey County, and alternative ways of financing home repairs. Information will be provided to housing providers, community groups, homeowners and the building trades. The City will develop and disseminate housing assistance informational materials in public buildings (City Hall, Libraries, Post Office) and on the City's website. Information may also be disseminated through workshops and public service announcements.



<b>Objective:</b>	Provide information on rehabilitation programs, inspection services and home repair financing
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Develop and disseminate informational materials by end of 2010

**Program 3-1.1.b: Residential Inspection Services. (Existing- Policy P3-4, Program 1)** The City's Building Official will continue to inspect residences in the community for structural deficiencies and repair needs at the request of the property owner. This program assists the property owner in deciding if structural repairs are needed and what repairs should be prioritized.

In conjunction with this program, the City will provide information on housing rehabilitation as described in Program 3-1.a.

<b>Objective:</b>	Provide residential inspection services to residents
<b>Responsible Party:</b>	Department of Community Planning and Building (Building Official)
<b>Implementation Timeline:</b>	Ongoing

**Program 3-1.1.c: Housing Maintenance Information. (Existing- Program 2)** The high quality of life in Carmel-by-the-Sea and the elevated standards for housing design have resulted in few violations that threaten the health and safety in the community. Since the City's housing stock is aging, however, code violations will likely increase without an active program informing the community of property maintenance techniques and rehabilitation assistance for homeowners who do not have the means to update their residences.

To encourage maintenance of the housing stock and reduce the likelihood of code violations and substandard units, the City will develop and disseminate informational materials identifying techniques used to upgrade property consistent with health and safety standards. The informational materials will be disseminated at public buildings, through the City's website, and in conjunction with Program 3-1.a.



<b>Objective:</b>	Provide housing maintenance information
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Develop and disseminate informational materials by the end of 2010

**Goal G3-2: Preserve existing residential units and encourage the development of new multi-family housing in the Commercial and R-4 Districts. (Existing- Goal G3-2)**

**Policy P3-2.1:** Continue to encourage mixed-use developments (second-floor housing over first-floor commercial uses) as a preferred development form contributing to the village character in all Commercial Districts. *(Existing-Objective O3-6)*

**Program 3-2.1.a: Incentives for Mixed-Use Development. (Existing- Policy P3-16 and Program 4)** The City's Zoning Code allows for the development of new residential units on the second floor of all development in the commercial district. As an incentive, the Code will continue to provide floor area bonuses of up to 15 percent for projects that include affordable housing units for moderate, low and very low-income households.

To promote awareness of the incentives and further encourage affordable housing in mixed-use development, the City will develop informational materials outlining the floor area and other applicable incentives. The information will be provided to developers and property owners in the commercial district.

<b>Objective:</b>	Encourage affordable housing in mixed-use development.
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Develop and disseminate informational materials by end of 2010

**Program 3-2.1.b: Preserve and Increase Second Floor Residential Uses. (Existing- Policy P3-19)** To prevent the loss of existing residential units in mixed-use buildings, the City will continue to prohibit the conversion of existing second-floor residential floor space to commercial use. The City will also continue to require newly constructed floor space at the second floor to be used as residential units.



**Objective:** Preserve and increase second floor residential uses

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing, project based

**Program 3-2.1.c: Conditional Use Permits for Multi-family Residential Development.** The City currently requires a conditional use permit for all multi-family residential development with densities exceeding 22 du/ac, consistent with the adopted Local Coastal Program. To ensure the provisions of the Municipal Code do not have an undue negative impact on the supply and cost of multi-family housing, the City will review current regulatory standards and procedures for multi-family residential development and revise standards and procedures to reduce the potential constraints on multi-family housing. Specifically, the City will develop and implement objective standards by which Conditional Use Permits for residential projects with densities greater than 22 du/ac are reviewed and approved to ensure permits are granted based on objective criteria.

**Objective:** Develop and implement objective review and approval standards for review of multi-family residential development projects

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Develop and implement objective review and approval standards by end of 2011

**Goal G3-3: Provide adequate sites for the development of a wide range of housing types for all citizens. (Existing- Goal G3-3)**

**Policy P3-3.1:** Ensure adequate sites are available to meet the City's projected housing growth needs. *(New, required by State law- AB 2348)*

**Program 3-3.1.a: Adequate Sites. (Existing-Program 6)** The City has a remaining RHNA or growth need of 7 units affordable to Extremely Low- and Very Low-Income households. The City's General Plan and Zoning Ordinance will continue to provide for a variety of housing types at appropriate densities to accommodate the remaining RHNA need.

The City will encourage and facilitate the development of new dwelling units consistent with the remaining RHNA need by continuing to work with housing providers such as the Carmel Foundation. The City will



also encourage development of new affordable units through incentives and concessions outlined in Programs 3-5.4.a, 3-5.5.a, 3-5.5.b, and 3-5.5.c of this Housing Element.

- Objective:** Encourage and facilitate construction of new dwelling units to meet the City's remaining RHNA need
- Responsible Party:** Department of Community Planning and Building
- Implementation Timeline:** Ongoing through 2014

**Program 3-3.1.b: Surplus Sites. (Existing- Policy P3-35 and Program 7)** City-owned surplus land may provide additional sites for new affordable and senior housing, exclusively or in combination with another public use. The City shall investigate the feasibility of utilizing surplus sites for housing development and partnering with housing providers to develop housing for lower-income households and/or senior housing on appropriate surplus sites.

- Objective:** Identify surplus sites that may be suitable for residential development
- Responsible Party:** Department of Community Planning and Building
- Implementation Timeline:** Ongoing

#### **Program 3-3.1.c: Development on Small Sites**

The City will continue incentives and provisions in the City's Municipal Code that facilitate development on small sites including reduced parking requirements for affordable housing projects (0.5 parking spaces per unit), density bonuses that allow for development up to 88 du/ac and flexible or in some cases no required setbacks in the R-4 zone.

The City will also continue to encourage and facilitate the consolidation of lots for residential development through the Lot Merger Program established in the Municipal Code.

The Lot Merger Program provides for two types of owner-initiated lot mergers. First, a property owner may request a merger to consolidate lots and/or lot fragments as defined by this code to create a single parcel that meets the requirements for a legal building site in the district where the property is located. The Director may approve a request for merger without public notice or a hearing.



The City also encourages the merger of small lots into larger lots to promote diversity in design and housing size and to preserve open space. Two or more contiguous lots, each of which would individually meet the standards for development as a building site, may be merged through the filing of a voluntary merger request by the owner(s). Upon approval of such a merger by the Department of Community Planning and Building, and recording of merger documents or maps with the County Recorder, the following incentives become available to the property:

- Allowed base floor area may be increased by three percent of site area, beyond the standard specified in the Municipal Code. A commensurate amount of additional exterior volume also shall be allowed.
- Guesthouses or subordinate units may be built with 100 square feet more floor area than is specified in the Municipal Code.
- Up to 2.5 percent of additional site coverage is allowed if the site complies with the City's tree density standards.
- One additional accessory structure is allowed for a total of three accessory structures on the site.

To further encourage and facilitate owner-initiated lot mergers, the City will investigate offering additional incentives such as reduced parking standards, reduced setback requirements and increased allowable densities. Based on the findings of this investigation, the City will implement appropriate revisions to the Lot Merger Program.

The City will monitor and revise programs as appropriate to ensure effectiveness of the incentives and Lot Merger Program in facilitating development on small sites.

**Objective:** Encourage and facilitate development on small sites

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Continue to offer lot merger incentives on a on-going basis;

Investigate additional incentives and revise lot merger program as appropriate by December 2010

**Policy P3-3.2:** Continue to monitor and work cooperatively with regional agencies to augment infrastructure in support of projected housing growth. *(Existing- Objective O3-3)*



**Program 3-3.2.a: Prioritize Water Allocation for Affordable Housing.** (*Existing-Policy P3-42 and Program 9*) The primary constraint to housing production in Carmel is the lack of water. Few sites have available water credits sufficient to accommodate construction of additional residential units.

The City shall continue to work with the Monterey Peninsula Water Management District (MPWMD) to develop sufficient infrastructure support to accommodate anticipated growth.

The City will also continue its procedures for granting priority to those projects that assist the City in meeting its share of the regional housing need for lower and moderate income households.

**Objective:** Priority water allocation for housing affordable to lower and moderate income households

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing

**Program 3-3.2.b: Regional Infrastructure Constraints.** (*Existing- Policies P3-5, P3-6*) The City will continue to monitor regional infrastructure limitations (e.g. sewer, water, roads) that affect the ability to serve new housing units on an annual basis. The City will also continue to participate in regional infrastructure plans and decision-making to ensure that local needs are met through appropriate decisions on road and sewer capacity and on water allocations.

**Objective:** Monitor and remove regional infrastructure constraints to housing

**Responsible Party:** Department of Community Planning and Building; Public Works Department

**Implementation Timeline:** Monitor infrastructure annually,  
Coordinate with other agencies on ongoing basis

**Policy P3-3.3:** Continue to guide the development and improvement of local infrastructure in a manner that provides adequate capacity for existing and new housing yet preserves and improves the unique visual character of the City. (*Existing- Objective O3-4*)

**Program 3-3.3.a: Local Infrastructure Constraints.** (*Existing- Policy P3-8*) To ensure that adequate local infrastructure is available to support existing and anticipated housing, the City shall continue to annually



monitor the capacity of existing infrastructure. Expansion or replacement of infrastructure necessary to support residential development will be planned for in conjunction with the City's Capital Improvement Program.

**Objective:** Monitor and address local infrastructure constraints  
**Responsible Party:** Department of Community Planning and Building; Public Works Department  
**Implementation Timeline:** Annually

**Goal G3-4: Protect the stability of residential neighborhoods by promoting year-round occupancy and neighborhood enhancement. (Existing- Goal G3-4)**

**Policy P3-4.1:** Maintain and encourage expansion of permanent residential housing stock in the R-1 District. *(Existing- Objective O3-5)*

**Program 3-4.1.a: Permanent Housing. (Existing- Policy P3-13 and Program 10)**

A substantial percentage of the City's housing stock lies vacant much of the year as second homes occupied for weekends, vacations or on a seasonal basis. This has the effect of reducing the number of permanent, year-round residents in the City.

To encourage an increase in full-time residential occupancy and use of the housing stock for permanent housing, the City will continue to implement the ordinance adopted in 1988 prohibiting short-term, transient rentals and timeshares of residential dwellings in the R-1 District. No additional motel units are permitted in the R-1 District.

**Objective:** Continue to implement City ordinances on the prohibition of short-term, transient rentals and timeshares of residential dwellings in the R-1 District

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing

**Program 3-4.1.b: Conversion of R-1 Motels. (Existing- Policy P3-14, Program 3)**

Pursuant to coastal zone requirements, the City has recognized existing R-1 motels as an important coastal visitor asset and economic base in the community. However, conversion or redevelopment of these units as permanent residential dwellings provides additional housing and can improve the integrity of residential neighborhoods. The City will continue to allow conversion of R-1 motel units into permanent residences with the transfer of vacated rooms to the commercial district.



<b>Objective:</b>	Continue to allow conversion of R-1 motel units to permanent residences
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Ongoing, project based

**Policy P3-4.2:** Preserve and protect the scale and character of established neighborhoods while encouraging property improvement. (*Existing- Objective O3-9*)

**Program 3-4.2.a: Neighborhood Compatibility.** (*Existing- Policy P3-24*) The City will continue to enforce height, coverage and floor area standards to ensure that new construction and remodels do not present excess visual mass or bulk to public view or to adjoining properties. The City will continue to enforce design standards which ensure that buildings relate to a human scale and that they avoid use of oversize design elements that make them appear dominating or monumental.

<b>Objective:</b>	New construction compatible with existing neighborhood
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Ongoing, project based

**Program 3-4.2.b: Design Review.** (*Existing- Policy P3-26*) The City will continue to require that projects not meeting adopted design guidelines be reviewed by the Planning Commission or Design Review Board. Diversity in architecture is encouraged as long as proposed designs perpetuate the broader elements of community design that characterize the streetscape within each neighborhood.

<b>Objective:</b>	Implement design review procedures
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Ongoing, project based

**Program 3-4.2.c: Support for Neighborhood Organizations.** (*Existing- Objective O3-11, Policies P3-29 and P3-30*) The City will continue to support neighborhood organizations that promote neighborhood involvement, safety and improvement. When appropriate, the City will develop



partnerships with these organizations to promote neighborhood enhancement programs, conduct outreach, and solicit community input.

**Objective:** Support and partner with neighborhood organizations

**Responsible Party:** Department of Community Planning and Building

**Implementation  
Timeline:** Ongoing

**Policy P3-4.3:** Promote public awareness and foster pride in the history and culture of the village through historic preservation programs. *(Existing-Objective O3-10)*

**Program 3-4.3.a: Neighborhood Preservation Educational Programs. (Existing-Policy P3-28)** The City will continue to use education programs to improve public understanding of the City's rich cultural and design heritage as a means of encouraging compatible housing design within existing neighborhoods.

**Objective:** Community education on neighborhood preservation

**Responsible Party:** Department of Community Planning and Building

**Implementation  
Timeline:** Ongoing

**Program 3-4.3.b: Incentives for Historic Resources. (Existing- Policy P3-28a)** The City will continue to provide zoning flexibility for historic resources to assist with appropriate rehabilitation efforts and offer incentives for the designation of historic resources.

**Objective:** Preservation of historic resources

**Responsible Party:** Department of Community Planning and Building

**Implementation  
Timeline:** Ongoing

**Goal G3-5:** Preserve and increase housing stock available for lower and moderate income households, senior citizens and other special needs groups. Prohibit discrimination in the sale or rental of housing. *(Existing- Goal G3-5)*



**Policy P3-5.1:** Recognize the special needs of persons with disabilities and the need to retain flexibility in the design review process to provide for these needs. *(Combined Existing Objective O3-12 and Policy P3-32)*

**Program 3-5.1.a: Adoption of Reasonable Accommodation Procedures.** *(New, required by State law- SB 520)* The City understands that building and development standards may constrain the ability of persons with disabilities to live in a housing unit suited to their needs. To provide relief from building and development standards without impacting the public health, safety and welfare, the City shall develop and adopt procedures to provide reasonable accommodations for persons with disabilities in compliance with the provisions of SB 520. These procedures shall include a formal written application and process. Information on reasonable accommodation procedures shall be provided at City Hall and on the City's website.

**Objective:** Develop and implement reasonable accommodation procedures

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Adopt reasonable accommodation procedures by December 2010

**Policy P3-5.2:** Promote housing opportunities for senior citizens. *(Existing-Objective O3-13)*

**Program 3-5.2.a: Shared Housing Information.** *(Existing- Policy P3-31 and Program 13)* Both the Alliance on Aging and Monterey County Housing Authority administer shared housing programs for seniors in Monterey County that assist seniors in locating roommates to share existing housing. This program often enables seniors to live independently for a longer time period. To expand participation in both of the available programs the City shall distribute informational materials to the Carmel Foundation and display information at City Hall and other public buildings. Information could also be posted on the City's website.

**Objective:** Promote use of shared housing programs

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Make information available by June 2010



**Policy P3-5.3:** Preserve existing affordable and rental housing opportunities in the City. *(New)*

**Program 3.5.3.a: Condominium Conversions.** *(Existing- Policy P3-20 and Program 5)* City will continue to implement its condominium conversion policy which restricts the conversion of apartments to condominiums to preserve the lower cost rental housing options, typical of apartments, within the City. Apartments cannot be converted to condominiums unless a new apartment is being created to offset the conversion.

**Objective:** Continue policies on the restriction of apartment to condominium conversions

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing, project based

**Program 3-5.3.b:Section 8 Rental Assistance.** *(Existing- Program 20)* The Section-8 rental assistance program extends federal rental subsidies to low income households that spend more than 30 percent of their income on rent. The Monterey County Housing Authority administers the Section-8 Rental Assistance Program in Carmel.

The City will continue to facilitate use of the Section-8 program in the community by distributing information for the program at City Hall and the Library. Additionally, the City will investigate (through discussions with the Housing Authority), the opportunity to use vouchers in subordinate units and shared housing arrangements.

**Objective:** Facilitate use of Section-8 program and explore program expansion

**Responsible Party:** Department of Community Planning and Building,  
Monterey County Housing Authority

**Implementation Timeline:** Provide information on an ongoing basis;  
Investigate the possibility of using Section 8 for subordinate units and shared housing arrangements by June 2011.

**Program 3-5.3.c:Subordinate Units.** *(Existing- Policy P3-38 and Program 15)* The City's Municipal Code allows construction of new subordinate units as a permitted use on lots of 8,000 square feet or greater to



provide additional rental housing in the R-1 District to lower-income households.

To further encourage the creation of subordinate units, the City will develop and implement incentives which may include waiver/reduction of certain fees, priority processing, and reduced parking requirements.

The City will prepare informational materials on incentives and technical assistance to property owners. The informational materials will be available at City Hall and on the City's website.

<b>Objective:</b>	Development of subordinate units
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Develop incentive program by June 2011 Develop and disseminate informational materials by June 2011

**Program 3-5.3.d: Monitor Affordable Housing Stock.** *(Existing- Policy P3-43, Program 19)* The City does not currently have any housing stock at-risk of converting to market rate. A number of housing developments within the City provide affordable housing, but are not deed-restricted. The City shall continue to monitor the affordable housing projects and work with the owners to preserve affordability through identification of funding sources and/or opportunities for partnerships with other housing providers should the property owners decide to convert the developments to market-rate housing.

The City will also annually monitor the affordable housing stock in the coastal zone to ensure the affordable housing with the coastal zone is being protected and provided as required by Government Code Section 65590. The City will track data on the new construction, demolition, conversion and replacements housing units for low- and moderate-income households within the coastal zone including the following:

- The number of new housing units approved for construction within the coastal zone;
- The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within or within three miles of the coastal zone;
- The number of existing residential dwelling units occupied by low- and moderate-income households required either within or three miles of the coastal zone that have been authorized to be demolished or converted; and,



The number of residential dwelling units for low- and moderate-income persons and families that have been required for replacement (of those units being demolished or converted) within or three miles of the coastal zone

**Objective:** Monitor affordable housing units

**Responsible Party:** Department of Community Planning and Building,  
Monterey County Housing Authority

**Implementation Timeline:** Continue to monitor affordable housing on an annual basis

**Policy P3-5.4:** Encourage the private sector to produce affordable housing. *(Existing- Objective O3-14)*

**Program 3-5.4.a: Density Bonus. (Existing- Program 14)** The City of Carmel currently provides for a density bonus, incentives and concessions to facilitate and encourage the development of lower-income housing units. To further the effectiveness of the City's Density Bonus Ordinance and to be in compliance with the requirements of SB 1818 and AB 2280, the City shall review and revise applicable ordinances to comply with State law.

**Objective:** Revised density bonus to comply with State requirements

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** By June 2010

**Program 3-5.4.b: Housing for Extremely-Low Income Households. (New- Required by State AB 2634)** The City shall encourage the development of housing units for households earning less than 30 percent or less of the Median Family Income (MFI) for Monterey. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-room occupancy units and transitional housing. The City will encourage development of housing for extremely-low income households through a variety of activities such as targeted outreach to for-profit and non-profit housing developers on at least an annual basis, providing in-kind technical assistance, fee deferrals, expedited/priority processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding at least twice during the planning period and/or offering additional incentives to supplement the density bonus provisions in State law.



<b>Objective:</b>	Encourage and facilitate development of housing units affordable to Extremely-Low Income households consistent with the remaining RHNA need
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Outreach to developers on at least an annual basis; Apply for or support applications for funding on an ongoing basis; Review and prioritize local funding at least twice in the planning period

**Policy P3-5.5:** Reduce or eliminate governmental constraints on the provision of affordable housing. (*Existing- Objective O3-15*)

**Program 3-5.5.a: Reduced Entitlement and Development Fees.** (*Existing- Policy P3-40 and Program 17*) Entitlement and development fees paid by project applicants assist in the City's ability to recover administrative and operating costs. These fees may have the unintended consequence of increasing the cost of housing. To encourage the development of affordable housing, the City will continue to reduce the amount of fees required for projects including affordable housing.

<b>Objective:</b>	Continue to offer reduced planning fees as an incentive to facilitate affordable housing development.
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Ongoing, project based

**Program 3-5.5.b: Reduced Parking Requirements.** (*Existing- Policy P3-37 and Program 16*) The City will continue to offer reduced parking requirements for affordable housing developments. In addition, the City will investigate the feasibility and effectiveness of further reducing existing in-lieu fees and amending the existing shared parking program to include housing units in affordable housing projects. Based on its findings, the City's Municipal Code will be revised as appropriate.

<b>Objective:</b>	Reduced parking requirements for affordable housing
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Investigate in-lieu fee reductions and shared parking by June 2011



**Program 3-5.5.c: Expedited Processing Procedures.** (*Existing- Policy P3-41 and Program 18*) Permit and approval processes have the potential to increase the cost of development. To help mitigate the cost of development, the City will continue to offer expedited review procedures for residential projects that include affordable housing units. This program is helpful in reducing holding costs incurred by project applicants while processing entitlements, plan check and building permits. The specific procedures for fast-track processing of affordable housing projects are included in the City's Municipal Code.

**Objective:** Expedited review and processing for projects with an affordable housing component

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing, project based

**Policy P3-5.6:** Support energy and water conservation programs to reduce the consumption of these resources in housing and to reduce housing costs. (*Existing Objective O3-17*)

**Program 3-5.6.a: Energy Conservation.** (*Existing- Policy 3-46, Program 23*) Energy conservation in the home has the potential to bring about considerable savings in the overall cost of housing. The City will continue to review applications for new construction and substantial alterations taking into consideration solar orientation and access to sunlight. Additionally, the City will continue to require compliance with Title 24 building standards for energy efficiency in all new homes.

**Objective:** Promote energy conservation

**Responsible Party:** Department of Community Planning and Building

**Implementation Timeline:** Ongoing

**Program 3-5.6.b: Green Building.** (*New*) The City's Green Building Ordinance is intended to guide development in a sustainable manner, promote energy efficiency, improve air quality, preserve natural resources and encourage architectural design that is consistent with the City's diverse design traditions. The Green Building Ordinance establishes minimum point requirements, based on two green building checklists (residential & non-residential), that applicants must obtain in order to receive a building permit. The City shall implement the Green Building Ordinance, effective August 1, 2010. To further



promote green building practices, the City shall also adopt and implement incentives for housing development projects that exceed the minimum point requirements.

<b>Objective:</b>	Implement the Green Building Ordinance and promote green building practices
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Implement Green Building Ordinance beginning August 2010  Adopt incentives by July 2010

**Program 3-5.6.c: Water Conservation. (Existing- Program 23)** The City recognizes a need to conserve and manage its water resources to accommodate the regional housing need. The City has adopted a Water Management Program, which in part seeks to reduce unnecessary water consumption in existing and new development. The Program requires the use of water-conserving plumbing fixtures in all new construction, replacement of non-compliant fixtures in remodeling projects with substantial construction and water-conserving landscaping. The City shall continue to enforce the Water Management Program and provide information to the community on water conservation retrofits and best practices. In addition, the City will provide information on and promote water conservation education and retrofit rebates provided by the Monterey Peninsula Water Management District.

<b>Objective:</b>	Promote water conservation
<b>Responsible Party:</b>	Department of Community Planning and Building
<b>Implementation Timeline:</b>	Ongoing

**Policy P3-5.7:** Support and enforce fair housing laws and expand fair housing choice by promoting housing opportunities and removing impediments to fair housing. *(Existing- Objectives O3-18)*

**Program 3-5.7.a: Fair Housing Services. (Existing- Program 11)** The California Department of Fair Employment and Housing and the Conflict Resolution and Mediation Center of Monterey County provide fair housing services and information. These agencies advise persons in need of information on housing and employment, mediate landlord/tenant disputes and research complaints about discriminatory housing practices. The City shall coordinate with these agencies to provide printed information about fair housing services at City Hall, on



the City's website, and in other public buildings. The City shall also refer all inquiries related to fair housing to the agencies.

- Objective:** Provide fair housing information and service referrals
- Responsible Party:** Department of Community Planning and Building
- Implementation Timeline:** Provide fair housing informational materials to the public by June 2010
- Provide referrals on an ongoing basis

**Policy P3-5.8:** Facilitate the provision of transitional and supportive housing in appropriate districts in the community. (*Modified Existing Policy P3-39*)

**Program 3-5.8.a: Zoning for Transitional and Supportive Housing.** (*New, required by State law- SB 2*) In compliance with SB 2, the City will review and revise the Zoning Code to allow for transitional and supportive housing. The City will comply with the requirements of the State in the following manner:

- Ensure the provisions of the Housing Accountability Act are enforced and prohibit the denial of a transitional/supportive housing facility via discretionary approvals if it is consistent with adopted regulatory standards.
- Evaluate development standards and regulatory provisions to ensure that standards encourage rather than discourage development.
- Amend the Zoning Code to allow transitional/supportive housing as a residential use, subject only to those requirements of other residential uses in the same zone.

- Objective:** Amend Zoning Code to comply with SB 2
- Responsible Party:** Department of Community Planning and Building
- Implementation Timeline:** December 2010

### 3.2 Quantified Objectives

Table 3-1 summarizes the City's quantified objectives for the 2007-2014 planning period.



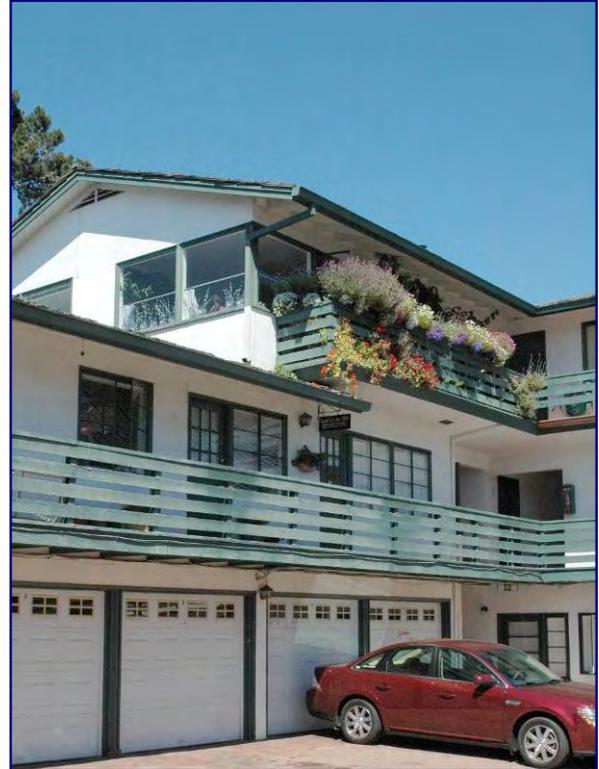
**Table 3-1: Quantified Objectives**

Program/ Income Category	Quantified Objective (Number of Units)
<b>New Construction</b>	
<i>Extremely Low Income (subset of the Very Low Income objective)</i>	4
Very Low Income	7
Low Income	5
Moderate Income	6
Above Moderate Income	14
<b>Total</b>	<b>32</b>
<b>Rehabilitation*</b>	
Extremely Low Income	0 **
Very Low Income	3
Low Income	4
Moderate Income	7
Above Moderate Income	500
<b>Total</b>	<b>514</b>
<b>Conservation***</b>	
Extremely Low Income	0
Very Low Income	0
Low Income	0
Moderate Income	0
Above Moderate Income	0
<b>Total</b>	<b>0</b>
<p>Notes:</p> <p>* The City has approximately 3,326 residential units, 59 (or two percent) of which are affordable units. Each year the City process approximately 100 building permits for remodels, additions, and other construction, which "rehabilitates" the existing housing stock. For the lower income categories rehabilitation goals, the City staff assumed that two percent of the total permits processes would be for affordable units. Under these assumptions, the City would rehabilitate two units of affordable housing a year or approximately 14 units throughout the 2007-2014 planning cycle. This represents approximately 25 percent of the City's existing affordable housing inventory.</p> <p>While the Above Moderate Income level rehabilitation goal is fairly large, it is consistent with the historic data on rehabilitation work for market-rate housing in Carmel.</p> <p>** The City does not have any existing units that would qualify as an extremely low income category units.</p> <p>*** The City has no units at risk of converting to market rate prices during this planning cycle.</p> <p>Source: City of Carmel-by-the-Sea, 2009.</p>	

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## A HOUSING NEEDS ASSESSMENT



When preparing the Housing Element, jurisdictions must evaluate both existing and future housing needs for all income groups.

This section analyzes demographic and housing characteristics that influence the demand for and availability of housing. The analyses form a foundation for establishing programs and policies that seek to address identified housing needs. Housing needs are identified according to income, tenure and special needs groups.

Primary data sources include the 2000 U.S. Census, the U.S. Department of Housing and Urban Development (HUD), the California Department of Finance (DOF) and the Association of Monterey Bay Area Governments (AMBAG). These data sources are the most reliable for assessing existing conditions and provide a basis for consistent comparison with historical data and the basis for forecasts.

### A.1 Population Characteristics and Employment Trends

Housing needs in a community are largely determined by population growth and various demographic variables such as age distribution. This section provides a



summary of the changes to the population size and age and racial/ethnic composition of Carmel-by-the-Sea.

### A.1.1 Population Growth Trends

The City of Carmel-by-the-Sea (City) was incorporated in 1916 and by 1940 had a population of 2,837. Today, the City, which is one square mile in area, has one of the smallest populations in the Monterey Peninsula. According to the U.S. Census, the City had a population of 4,239 in 1990. From 1990 to 2000, the population declined by 3.7 percent to 4,081. As shown in [Table A-1: Population Trends and Projected Growth for Monterey Peninsula Cities and County](#), the AMBAG 2008 Regional Forecast projects that the City's population will continue to decrease by 5.71 percent, or 233 residents between 2000 and 2015. The relative decrease in population does not follow the trend of projected growth for other Peninsula cities.

**Table A-1: Population Trends and Projected Growth Monterey Peninsula Cities and County**

Jurisdiction	1990	2000	Percent Change (1990 –2000)	Projected 2015	Percent Change (2000-2015)
Carmel-by-the-Sea	4,239	4,081	-3.7%	3,848	-5.71%
Del Rey Oaks	1,661	1,650	-0.7%	1,745	5.76%
Monterey	31,954	29,674	-7.1%	30,092	1.41%
Pacific Grove	16,117	15,522	-3.7%	15,550	0.18%
Sand City	192	261	35.9%	1,498	473.95% <sup>1</sup>
Seaside	38,901	31,696	-18.5%	35,165	10.94% <sup>2</sup>
Total Peninsula Cities	93,064	82,884	-10.9%	87,898	6.05%
County of Monterey	355,660	401,762	13.0%	466,606	16.14%
Notes:					
<sup>1</sup> The City of Sand City is projected to increase its growth over 5.5 times, however this is due to its existing small population base, and Sand City's population is projected to remain under 1,500 persons.					
<sup>2</sup> Seaside experienced a sharp decline in population from 1990 to 2000 due to the Fort Ord military base closure. Current re-use plans are expected to result in a population increase.					
Source: 1990 and 2000 U.S. Census; AMBAG Monterey Bay Area 2008 Regional Forecast.					

As population increases, the demand for housing increases, however Carmel-by-the-Sea's population is projected to continue to decrease. The overall demand for additional housing units due to population growth is expected to be minimal.

### A.1.2 Age Characteristics

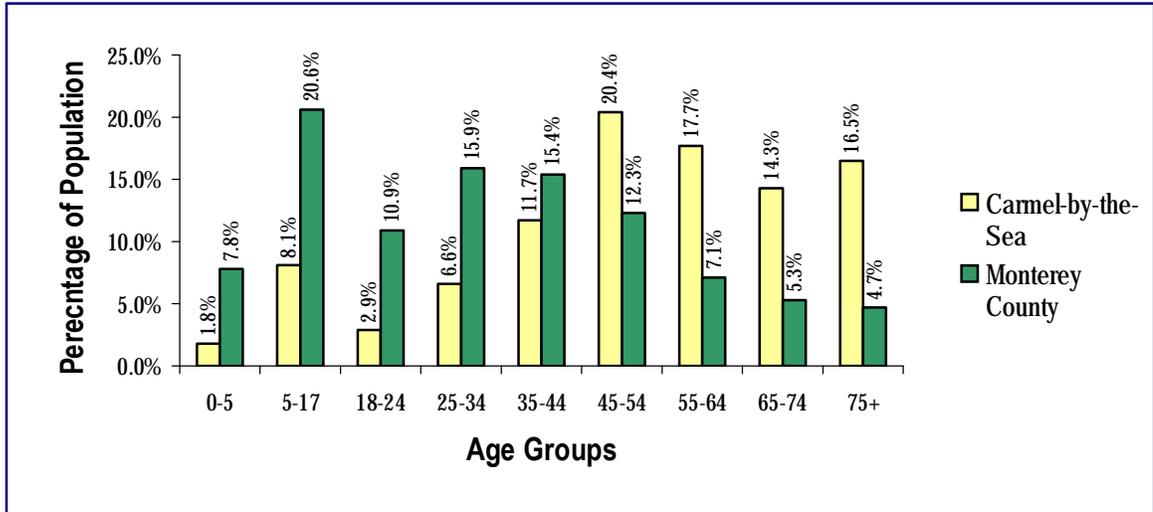
A community's age characteristics can help identify its housing needs and project the distribution of demand for future housing types.

According to the 2000 U.S. Census, 74 percent of seniors (i.e. 65 years or older) were homeowners and of these homeowners, 43 percent lived in their homes for



more than 20 years. Regardless of tenure, more than 99 percent of senior occupied housing units average less than one person per room. **Figure A-1: Age Distribution, 2000**, shows that the City is comprised of mostly older adults, with nearly 70 percent of the population over the age of 45. The median age in the City is 54 years. In Monterey County, the population median age is 32 years. The County has a smaller proportion of seniors (65 years or older), and a larger proportion of the population is under 18 years old.

**Figure A-1: Age Distribution, 2000**



Source: 2000 U.S. Census.

### A.1.3 Race/Ethnicity Characteristics

As shown in **Table A-2: Race and Ethnicity, 1990 and 2000**, 92.7 percent of the City’s population in the year 2000 was White. According to the 2000 Census, only 40.3 percent of the County population was White.

**Table A-2: Race and Ethnicity, 1990 and 2000**

Race/ Ethnicity	1990			2000		
	Carmel-by-the-Sea		County of Monterey (percent)	Carmel-by-the-Sea		County of Monterey (percent)
	Number	Percent		Number	Percent	
White	4,002	94.4%	52.3%	3,783	92.7%	40.3%
Black	13	0.3%	6.1%	18	0.4%	3.5%
Asian/Other	92	2.2%	8.0%	160	4.0%	9.4%
Hispanic/Latino	132	3.1%	33.6%	120	2.9%	46.8%
Total	4,239	100%	100%	4,081	100%	100%

Source: 1990 and 2000 U.S. Census.



### A.1.4 Employment Characteristics

Education and employment have an impact upon housing needs to the extent that different jobs and income levels determine the type and size of housing a household can afford. According to the 2000 U.S. Census, 50 percent of the workforce aged population in Carmel-by-the-Sea was in the labor force. [Figure A-2: Education Level, 2000](#), illustrates the City's educational level in comparison to Monterey County residents.

In general, the educational level of Carmel-by-the-Sea residents is higher than that of the County as a whole, according to the 2000 U.S. Census. The proportion of residents with a college degree is more than double that of the County, while the proportion of Carmel-by-the-Sea residents (18 years and older) without a high school diploma is less than the County's.

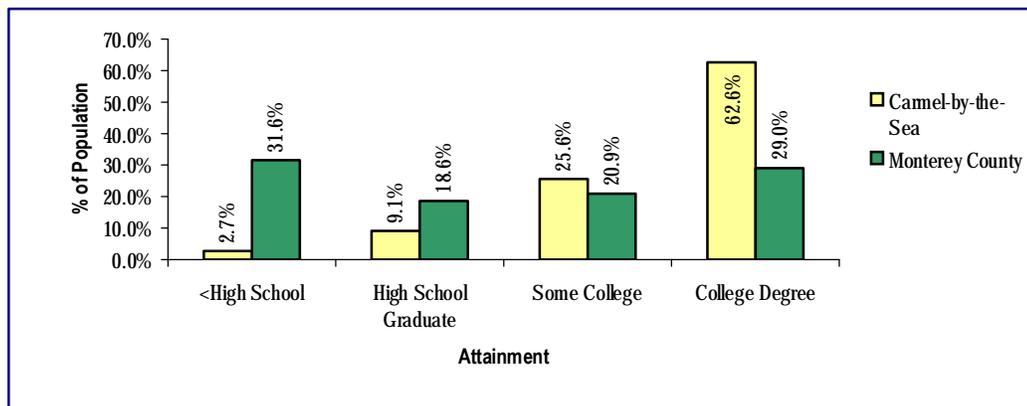


Figure A-2: Education Level, 2000

[Table A-3: Occupations for Carmel-by-the-Sea and Monterey County, 2000](#), describes the types of occupations held by Carmel-by-the-Sea residents. As of 2000, the two largest occupational categories were managerial/professional and sales/office. These categories accounted for nearly 75 percent of employed residents, while those employed in the farming, fishing, or forestry category accounted for less than one percent of occupations.



**Table A-3: Occupations for Carmel-by-the-Sea and Monterey County, 2000**

Occupation	Percent of City Employed (Civilian Population)	Percent of Monterey County's Employed (Civilian Population)
Management/Professional	48.7%	29.2%
Service	13.1%	16.8%
Sales/Office	26.0%	23.2%
Farming/Fishing/Forestry	0.4%	11.2%
Construction/Extraction/Maintenance	5.9%	8.5%
Production/Transportation/Material Moving	5.9%	11.1%
Total	100%	100%
Source: 2000 U.S. Census		

As of 2008, there were 780 business licenses for fixed location businesses and 1,200 in-and-about licenses in the City. Carmel's Chamber of Commerce reports that the City's members include 45 inns, 60 restaurants, and 105 art galleries.

As shown in [Table A-4: City of Carmel-by-the-Sea Labor Force Trends, 2000-2007](#), the City's labor force remained constant with minor fluctuations. According to the California Employment Development Department, the City's unemployment rate for 2007 was 1.3 percent. The City's unemployment rate was lower than the County's unemployment rate of 7.2 percent in 2007.

**Table A-4: City of Carmel-by-the-Sea Labor Force Trends, 2000-2007**

Year	Labor Force	Employment	Unemployment <sup>1</sup>	Unemployment
2000	2,300	2,300	0	1.3 %
2001	2,300	2,300	0	1.4 %
2002	2,300	2,300	0	1.6 %
2003	2,300	2,300	0	1.6 %
2004	2,300	2,300	0	1.5 %
2005	2,400	2,400	0	1.3 %
2006	2,300	2,300	0	1.2 %
2007	2,400	2,400	0	1.3 %

Note:

<sup>1</sup> Carmel's unemployment numbers were too small to be represented in numerical form. The EDD provides this information for Carmel only as a percentage.

Source: State of California Employment Development Department (EDD), 2008.

Given the low rate of participation in the labor force and high median age, it can be concluded that Carmel-by-the-Sea is, in large part, a retirement community.



## **A.2 Household Characteristics**

The U.S. Census defines a household as all persons who occupy a housing unit. This may include families related through marriage or blood, unrelated individuals living together, or individuals living alone. The U.S. Census defines a family as related persons living within a single housing unit.

Household type and size, income levels, the presence of special needs populations, and other household characteristics influence the type of housing needed by residents. This section details the various household characteristics affecting housing needs.

### **A.2.1 Household Growth Trends**

Trends in household growth among Monterey County and Peninsula cities are relatively parallel to the trends in population described previously for each jurisdiction. With the exception of Carmel, which showed household growth between 2000 and 2008 and population decline during that same period, the County and Peninsula cities experienced both population and household growth.

Monterey County experienced household growth from 1990 to 2000 of over 7 percent. Most Peninsula cities experienced a decline between 0.35 to 7.59 percent. In the time period between 2000 and 2008, the County experienced 15.72 percent growth. During the same period, the Peninsula cities experienced growth from 3.27 to 47.18 percent.

Based on projections by AMBAG, most Peninsula cities will experience household growth through 2015; the City is projected to add 24 new households, increasing the number of households from 3,363 in 2008 to 3,387 in 2015. The City's projected household growth represents 0.15 percent of the County's projected growth for this same period.



**Table A-5: Household Growth Trends and Projections Monterey Peninsula Cities and County**

Jurisdiction	1990 <sup>1</sup>	2000 <sup>1</sup>	Percent Change (1990 – 2000)	2008 <sup>2</sup>	Percent Change (2000 – 2008)	2015 <sup>3</sup>	Percent Change (2008- 2015)
Carmel-by-the-Sea	2,309	2,285	-1.04%	3,363	47.18 %	3,387	0.71%
Del Rey Oaks	696	704	-1.15%	727	3.27 %	780	7.29%
Monterey	12,693	12,600	-0.73%	13,549	7.53 %	13,723	1.28%
Pacific Grove	7,342	7,316	-0.35%	8,108	10.83 %	8,108	0.00%
Sand City	79	80	1.27%	138	72.50 %	670	385.51%
Seaside	10,641	9,833	-7.59%	11,257	14.48 %	11,593	2.98%
Total Peninsula Cities	33,760	32,818	-2.79%	37,142	13.18 %	38,261	3.01%
County of Monterey	112,965	121,236	7.32%	140,296	15.72 %	156,061	11.24%

Source:  
<sup>1</sup> 1990 and 2000 U.S. Census;  
<sup>2</sup> Department of Finance Table E-5, 2008;  
<sup>3</sup> AMBAG Regional Housing Needs Plan 2007 - 2014.

### A.2.2 Household Composition and Size

As shown in Table A-6: Household Size Distribution, 2000, one-person households made up the largest segment of the City’s renter-occupied households and two-person households made up the largest segment of owner-occupied households. One- and two-person households represented the majority of the City’s households, totaling 84.62 percent.

**Table A-6: Household Size Distribution, 2000.**

Household Size	Total Households <sup>1</sup>	Percent of Total	Renter Households	Percent of Total <sup>2</sup>	Owner Households	Percent of Total <sup>2</sup>
1 Person	1008	44.17%	538	23.58%	470	20.60%
2 Persons	923	40.45%	279	12.23%	644	28.22%
3-4 Persons	316	13.85%	154	6.75%	162	7.10%
5+ Persons	35	1.53%	14	0.61%	21	0.92%
<b>Total</b>	<b>2,282</b>	<b>100%</b>	<b>985</b>	<b>43.16%</b>	<b>1,297</b>	<b>56.84%</b>

Note:  
<sup>1</sup> Represents Total Households  
<sup>2</sup> Percent of Total Households  
Source: 2000 U.S. Census, SF3 H17.

According to the 2000 U.S. Census, 49 percent of the City’s 2,282 households were families. The City had more than twice the proportion (51 percent) of non-family households than does the County (23 percent). Among the 1,176 non-family households, 85 percent were single individuals living alone, including 46



percent seniors living alone. A large portion of single-person households were women (73.9 percent).

Among family households, 84.3 percent were married couples and 20.8 percent were married couples with children younger than 18 years. Nearly two-thirds of the families with children had children aged 6-17 years.

Household size can affect the demand for various unit sizes. As depicted in [Table A-7: Average Household Size, 1990-2008](#), the majority of Peninsula cities experienced a decline in persons per household in 2008. With an average of 1.76 persons per household in 2008, Carmel-by-the-Sea had the smallest average household size compared to the surrounding Peninsula cities and the County.

**Table A-7: Average Household Size, 1990-2008**

Jurisdiction	1990	2000	2008
Carmel-by-the-Sea	1.82	1.79	1.76
Del Rey Oaks	2.39	2.34	2.31
Monterey	2.26	2.13	2.10
Pacific Grove	2.16	2.10	2.08
Sand City	2.33	2.46	2.43
Seaside	3.1	3.21	3.18
Monterey County	2.96	3.14	3.15
Source: <sup>1</sup> 1990 and 2000 U.S. Census; <sup>2</sup> Department of Finance Table E-5, 2008;			

Low average household size coupled with a majority of one- or two-person households, indicates that smaller sized units (1 to 2 bedrooms) would meet a significant portion of the City's housing needs. However, some households may desire larger living spaces.

### A.2.3 Household Income

The household income relates directly to the household's ability to acquire adequate housing. While above moderate-income households have more disposable income to spend on housing, low and moderate-income households are more limited in the range of housing that they can afford. Typically, as the income of households decreases the incidence of cost burden and overcrowding increases.

The Federal Department of Housing and Urban Development (HUD) calculates an annual median family income (MFI) for an assumed family of four persons for the purpose of determining program eligibility. The 2009 HUD MFI for Monterey County was estimated to be \$67,300.



The State of California uses five income categories to determine housing affordability based on the MFI. [Table A-8: Income Range by Affordability Category, 2009](#), shows the income ranges for each income category.

**Table A-8: Income Range by Affordability Category, 2009**

Affordability Category	Percent of County Median	Income Range (\$)¹
Extremely Low Income	≤30%	≤ \$20,190
Very-Low Income	31%-50%	\$20,191 - \$33,650
Low Income	51%-80%	\$33,651 - \$53,840
Moderate Income	81%-120%	\$53,841 - \$80,760
Above-moderate Income	>120%	> \$80,760
Notes:		
¹ Based on 2009 HUD MFI of \$67,300 for Monterey County.		

As shown in [Table A-9: Household Income by Tenure, 1999](#), approximately 36 percent of renter-occupied households and 25 percent of owner-occupied households in Carmel-by-the-Sea were within the very low- and low-income categories. Approximately 21 percent of renter-occupied households and nine percent of owner-occupied households were within the extremely low-income category.

**Table A-9: Household Income by Tenure, 1999.**

	Owner-Occupied		Renter- Occupied		Total Occupied Housing Units	
	Number	Percent ¹	Number	Percent ¹	Number	Percent ¹
Less than \$5,000	34	2.62%	54	5.48%	88	3.86%
\$5,000 to \$9,999	12	0.93%	62	6.29%	74	3.24%
\$10,000 to \$14,999	71	5.47%	95	9.64%	166	7.27%
\$15,000 to \$19,999	47	3.62%	24	2.44%	71	3.11%
\$20,000 to \$24,999	50	3.86%	76	7.72%	126	5.52%
\$25,000 to \$34,999	93	7.17%	165	16.75%	258	11.31%
\$35,000 to \$49,999	139	10.72%	91	9.24%	230	10.08%
\$50,000 to \$74,999	262	20.20%	152	15.43%	414	18.14%
\$75,000 to \$99,999	167	12.88%	85	8.63%	252	11.04%
\$100,000 to \$149,000	183	14.11%	117	11.88%	300	13.15%
\$150,000 or more	239	18.43%	64	6.50%	303	13.28%
Total	1,297	100%	985	100%	2,282	100%
Notes:						
¹ Percentages may not equal 100% due to rounding						
Source: 2000 U.S. Census, SF3 HCT11						



### A.3 Housing Stock Characteristics

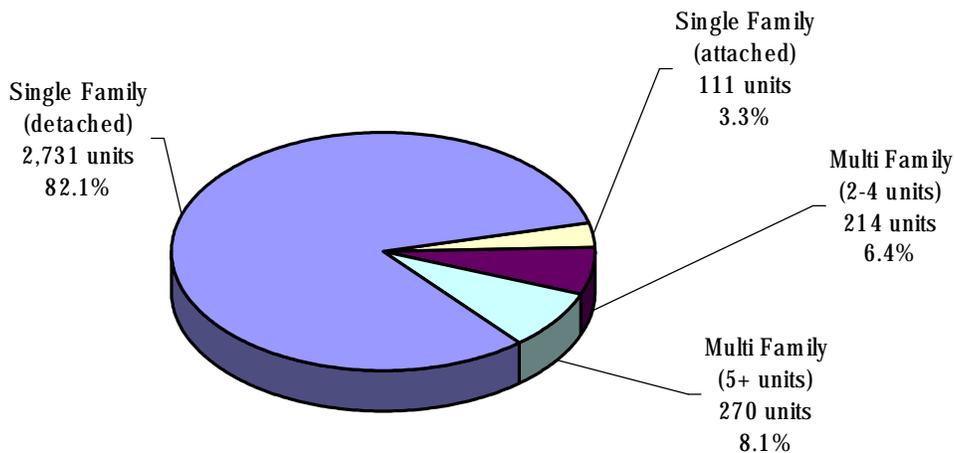
This section evaluates housing stock characteristics including tenure and vacancy rates, housing age and conditions, and housing costs and affordability.

#### A.3.1 Housing Stock

According to the U.S. Census and the DOF, housing stock in Carmel-by-the-Sea increased by 1,054 units from 2000 to 2008. The City is primarily built out and is constrained by the lack of water to accommodate new development. Residential construction in recent years involved mostly demolition and replacement of older units with new, larger units. With very few vacant lots in the City and limited water available to new projects, infill is the primary method of residential construction.

Eighty-three percent of the housing stock is comprised of single-family detached homes, while multi-family developments of five or more units represent the second largest segment of the housing stock (see [Figure A-3: Housing Stock Composition](#)).

**Figure A-3: Housing Stock Composition**



*Source: 2000 U.S. Census.*

The City's average household size is 1.79 and the average family size is 2.39. This suggests that units with three-bedrooms or less could adequately house most of the City's population. As shown in [Table A-10: Unit Size by Tenure, 2000](#), 65.6 percent of the City's housing units had two-bedrooms or less, 25.6 percent had three-bedrooms, and 8.73 percent had four or more bedrooms.



**Table A-10: Unit Size by Tenure, 2000.**

Unit Size	Owner-Occupied		Renter- Occupied		Total Occupied Housing Units	
	Units	% <sup>1</sup>	Units	% <sup>1</sup>	Units	% <sup>1</sup>
Studio/1 bedroom	101	7.79%	538	54.62%	639	28.00%
2 bedrooms	522	40.25%	336	34.11%	858	37.60%
3 bedrooms	502	38.70%	84	8.53%	586	25.68%
4 bedrooms	108	8.33%	19	1.93%	127	5.57%
5 or more bedrooms	64	4.93%	8	0.81%	72	3.16%
<b>Total</b>	<b>1,297</b>	<b>100%</b>	<b>985</b>	<b>100%</b>	<b>2282</b>	<b>100%</b>
Notes:						
<sup>1</sup> Percentages may not equal 100% due to rounding						
Source: 2000 U.S. Census, SF3 H42						

### A.3.2 Housing Tenure and Vacancy

Housing tenure refers to whether a unit is owned or rented. Vacancies can also be an important housing market indicator in that the vacancy rate influences the cost of housing and may reflect the match between housing demand and availability.

#### Tenure

In 2000, 57 percent of Carmel-by-the-Sea residents owned the units they occupied, while 43 percent rented. This distribution is similar to Monterey County, with 54 percent owner-occupied and 45 percent renter-occupied housing units. [Table A-11: Occupied Units by Tenure, 2000](#), summarizes tenure for both Carmel-by-the-Sea and Monterey County.

**Table A-11: Occupied Units by Tenure, 2000**

	Owner-Occupied		Renter- Occupied		Total	
	Number	% <sup>1</sup>	Number	% <sup>1</sup>	Number	% <sup>1</sup>
Carmel-by-the-Sea	1,297	56.84%	985	43.16%	2,282	100%
Monterey County	66,266	54.66%	54,970	45.34%	121,236	100%
Notes:						
<sup>1</sup> Percentages may not equal 100% due to rounding						
Source: 2000 U.S. Census, SF3 H7						

#### Vacancy

A vacancy rate of 5 to 6 percent is generally considered optimal to balance the demand for and supply of housing. A certain level of vacancy is needed to moderate the cost of housing, allow sufficient choice for residents, and provide an incentive for unit upkeep and repair.



As shown in [Table A-12: Vacancy Rates, 2000](#), 27.7 percent of Carmel-by-the-Sea’s housing stock is vacant due to seasonal, recreational, or occasional use.

**Table A-12: Vacancy Rates: 2000**

	Vacancy	
	Number	Percent of Total
Total:	3,331	100%
Occupied	2,282	68.5%
Vacant	1,049	31.5%
For rent	54	1.6%
For sale only	22	0.7%
Rented or sold, not occupied	20	0.6%
For seasonal, recreational, or occasional use	924	27.7%
For migrant workers	0	0.0%
Other vacant	29	0.9%
Source: U.S. Census 2000 SF 3 H6, H8.		

In 2000, excluding seasonal, recreational, or occasional housing, the vacancy rate was 1.6 percent, while the renter vacancy rate was 2.2 percent. The DOF reported a vacancy rate of 31.43 percent for Carmel-by-the-Sea in 2008. Excluding seasonal, recreational, or occasional housing under assumption that the percentage of vacant seasonal housing remained consistent between 2000 and 2008, the vacancy rate for 2008 is approximately 3.7 percent for both rental and ownership housing.

### A.3.3 Age and Housing Stock Conditions

#### Age of Housing Stock

Age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs.

The U.S. Census provides data on age of housing stock by tenure. Eighty-six percent of owner-occupied units in the City were built before 1980 and 69.1 percent were built before 1960. Of the renter-occupied units, 88.2 percent were built before 1980 and 65.7 percent were built before 1960. [Table A-13: Tenure by age of Housing Stock \(Occupied Units\), 2000](#), provides a summary of age of housing stock by tenure.



**Table A-13: Tenure by Age of Housing Stock (Occupied Units), 2000**

Year Built	Owner Occupied		Renter-Occupied		Total Occupied Housing Units	
	Units	Percent	Units	Percent	Units	Percent
1999 - March 2000	13	1.0%	7	0.7%	20	0.9%
1990 – 1998	40	3.1%	42	4.3%	82	3.6%
1980 – 1989	129	9.9%	67	6.8%	196	8.6%
1970 – 1979	132	10.2%	128	13.0%	260	11.4%
1960 – 1969	87	6.7%	94	9.5%	181	7.9%
1950 – 1959	201	15.5%	196	19.9%	397	17.4%
1940 – 1949	243	18.7%	153	15.5%	396	17.4%
1939 or earlier	452	34.8%	298	30.3%	750	32.9%
<b>Total</b>	<b>1,297</b>	<b>100%</b>	<b>985</b>	<b>100%</b>	<b>2,282</b>	<b>100%</b>

Source: 2000 U.S. Census, SF3 H36

### Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living conditions defined in Section 1001 of the Uniform Housing Code. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threat to health and safety.

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. According to the 2000 U.S. Census, none of the owner-occupied and renter-occupied units in the City lacked plumbing facilities. Fifty-three of the occupied units lacked complete kitchen facilities. Of those lacking complete kitchen facilities, 9 were renter-occupied units.

**Table A-14: Units Lacking Plumbing or Complete Kitchen Facilities, 2000**

Units	Owner Occupied	Renter Occupied	Total
Lacking plumbing facilities	0	0	0
Lacking complete kitchen facilities	9	44	53

Source: 2000 U.S. Census, SF3 H48, H51

In December of 2008, a City-wide windshield survey was conducted as part of the Housing Element update to evaluate general housing conditions. The survey focused on identifying housing units in need of substantial repair or rehabilitation. Properties were evaluated from the public right-of-way and the surveyors did not enter onto private property.



Approximately 3,000 properties in the residential and commercial districts were visually inspected, although a survey form was not completed for every property. The exterior condition (siding, roofing, windows and doors, foundation, electrical) of the properties was visually evaluated to determine if moderate or substantial improvements were needed or if the property was in a dilapidated condition. The vast majority of units in the City are in good condition with either no or moderate repairs needed. According to the windshield survey, approximately 77 units were determined to need substantial repairs and approximately 16 were determined to be in a dilapidated condition.

### **A.3.4 Housing Costs and Rent**

Information on 33 rental properties from classified advertisements in the Monterey County Coast Weekly, Carmel Pine Cone, Craigslist.com, as well as local property management WebPages provided a snapshot of rental rates in the City in Fall 2008.

The DataQuick Real Estate Database revealed sales data for homes and condominiums over a one-year period from August 2007 to August 2008. Additional data for home sales in 2008 was obtained from local realtors.

#### **Home Prices**

In 2000, the median value for all owner-occupied units in Carmel-by-the-Sea was \$675,300. As shown in [Table A-15: Value of Owner-Occupied Housing Units, 2000](#), 16 percent of owner-occupied housing units were valued below \$400,000. Twelve percent were valued between \$400,000 and \$499,999. Thirty-three percent were valued between \$500,000 and \$749,999. Twenty percent were valued between \$750,000 and \$999,999, and over 17 percent were valued at \$1,000,000 or more.



**Table A-15: Value of Owner-Occupied Housing Units, 2000**

Price Range	Number of Units	Percent of Total
\$49,999 or less	0	0%
\$50,000 to \$99,999	21	1.62%
\$100,000 to \$149,999	14	1.08%
\$150,000 to \$199,999	21	1.62%
\$200,000 to \$249,999	13	1.00%
\$250,000 to \$299,999	35	2.70%
\$300,000 to \$399,999	106	8.17%
\$400,000 to \$499,999	161	12.41%
\$500,000 to \$749,999	433	33.38%
\$750,000 to \$999,999	261	20.12%
\$1,000,000 or more	232	17.89%
<b>Total</b>	<b>1,297</b>	<b>100%</b>

Source: 2000 U.S. Census, SF3, H84

As shown in [Table A-16: Median Sale Price, August 2007 and 2008](#), the median sale price for new and resale homes in Carmel-by-the-Sea was \$992,500 as of August 2008. This represents a 23.65 percent decrease from the median sales price in August 2007. The median sales price in Carmel-by-the-Sea is over three times more than the median for the County.

**Table A-16: Median Sale Price, August 2007 and 2008**

Jurisdiction	August 2007	August 2008	% Change
Carmel-by-the-Sea	\$1,300,000	\$992,500	-23.65%
Monterey	\$567,500	\$505,000	-11.01%
Pacific Grove	\$805,000	\$800,000	-0.62%
Seaside	\$560,000	\$324,000	-42.14%
Monterey County	\$587,500	\$298,500	-49.19%

Source: Data Quick, dqnews.com, accessed October 21, 2008

Additional information regarding Carmel-by-the-Sea 2008 sales and current listings was provided by local realtor and is shown in [Table A17: Carmel-by-the-Sea Home Sale Price Range, 2008](#). In 2008, there were no homes sold for less than half a million dollars, with the lowest sale at \$530,000. Of the homes sold between January and November 2008, 29 percent were sold for less than one million dollars. On November 20, 2008, the lowest price of a listed home was \$609,000 and 15.6 percent of homes listed for sale were below the one million dollar price range.



**Table A-17: Carmel-by-the-Sea Home Sale Price Range, 2008**

Price Range	Sold (January 2008 to November 2008)	Listed For Sale (November 2008)
Less than \$500,000	0	0
\$500,000 to \$999,999	31	22
\$1,000,000 to \$1,499,999	29	40
\$1,500,000 and More	47	79
Total	107	141

Like many other cities in the region, Carmel-by-the-Sea has experienced a decrease in the median sale price for new and resale homes due to the market downturn.

In 2008, one property in Carmel-by-the-Sea entered into foreclosure. An additional three properties defaulted on their mortgage. Due to the low number of properties in foreclosure or at-risk of foreclosure, it is unlikely that it would have an impact on the overall housing market of the City.

**Rental Prices**

As shown in [Table A-18: Average Monthly Rent by Unit Size, 2008](#), the average monthly rent for a studio apartment in Carmel-by-the-Sea was \$880 in 2008. The average for a 1-bedroom, 1 bath unit was \$1,540; a 2 bedroom, 1 bath unit was \$1,940; a 2 bedroom, 2 bath unit was \$2,560; and a 3 bedroom, 2 bath unit was \$2,610.

**Table A-18: Average Monthly Rent by Unit Size, 2008**

Type of Rental Property	Range of Monthly Rent <sup>1</sup>	Average Monthly Rent <sup>2</sup>	Number of Properties on which Average Monthly Rent was Based On
Studio	\$775 – \$995	\$880	5
1 bedroom, 1 bath	\$1,200 – \$2,000	\$1,540	9
2 bedrooms, 1 bath	\$1,675 – \$2,300	\$1,940	5
2 bedrooms, 2 baths	\$2,300 – \$3,000	\$2,560	5
3 bedrooms, 2 baths	\$2,300 – \$3,000	\$2,610	9
All	\$775 – \$3,000	\$1,906	33
Notes:			
<sup>1</sup> Range of monthly rent is based on the lowest and highest rental rate found within a given category.			
<sup>2</sup> Average monthly rent is based on rental rates for all properties within a given category. The average is rounded to the nearest tenth.			
Source: Monterey County Coast Weekly, Carmel Pine Cone, Craigslist.com, local property management WebPages, 2008.			

According to the 2000 U.S. Census, 53.71 percent of renter households in Carmel-by-the-Sea spent 30 percent or more of their household income on rent in 1999.



Twenty four percent spent 50 percent or more on rent. [Table A-19: Gross Rent as a Percentage of Household Income, 1999](#), shows the number of households by percentage of household income spent on rent in 1999.

**Table A-19: Gross Rent as a Percentage of Household Income,1999.**

Percent of Household Income	Number of Households	Percent of Households
Less than 10 percent	64	6.50%
10 to 14 percent	100	10.15%
15 to 19 percent	124	12.59%
20 to 24 percent	82	8.32%
25 to 29 percent	86	8.73%
30 to 34 percent	67	6.80%
35 to 39 percent	38	3.86%
40 to 49 percent	107	10.86%
50 percent or more	237	24.06%
Not computed	80	8.12%
<b>Total</b>	<b>985</b>	<b>100%</b>

Source: 2000 U.S. Census, SF3 H69

### **A.3.5 Housing Affordability**

Housing affordability can be determined by comparing the sales prices and rents for housing in Carmel-by-the-Sea to the affordable payment for households at each income level.

Housing affordability is defined as paying no more than 30 percent of the household income on housing expenses. [Table A-20: Affordable Rent and Purchase Price by Income Category, 2008](#), summarizes affordable rents and purchase prices by income categories based on the 2009 HUD median family income of \$67,300 for Monterey County. Affordable purchase price assumes a 6.0 percent interest rate with a 30-year fully amortized mortgage.



**Table A-20: Affordable Rent and Purchase Price By Income Category, 2008**

Income Category	Percent of MFI <sup>1</sup>	Annual Income Range	Affordable Rent Payment <sup>2</sup>	Estimated Affordable Purchase Price <sup>3</sup>
Extremely-low income	≤30% MFI <sup>4</sup>	≤ \$20,190	≤\$505	\$84,300
Very-low income	31% - 50% MFI	\$20,191 - \$33,650	\$506 - \$841	\$84,301 - \$140,400
Low income	51% - 80% MFI	\$33,651 - \$53,840	\$842 - \$1,346	\$140,401 - \$224,600
Moderate income	81% - 120% MFI	\$53,841 - \$80,760	\$1,347 - \$2,019	\$224,601 - \$336,800
Above-moderate income	>120% MFI	> \$80,760	>\$2,019	>\$336,800
Notes:				
<sup>1</sup> Percent of Median Family Income				
<sup>2</sup> Based on 30% of income.				
<sup>3</sup> Assumes 6.0% interest rate, 30 year fixed-rate mortgage.				
<sup>4</sup> MFI= 2009 HUD Median Family Income for Monterey County (\$67,300 ) for an assumed family of four persons				

The following discussion focuses on each income category:

- **Extremely Low-Income Households:** Extremely low-income households have an annual income that does not exceed 30 percent of the median family income. The affordable home price for extremely low-income households is at or below \$81,000, well below the City’s median home price. There were no houses sold in the City in that price range in 2008. An extremely low-income household could only afford to pay \$486 a month for rent. The data available on rental housing shows that none of the units in Carmel-by-the-Sea would be affordable to extremely low-income households.
- **Very Low-Income Households:** Very low-income households have an annual income between 31 and 50 percent of the median family income. The maximum affordable home price for very low-income households ranges from \$81,000 to \$135,000. As with the extremely low-income category, this price range is well below the City’s median home sales price and no houses were available at this price range in 2008. A very low-income household could only afford to pay \$487 to \$810 a month for rent. The data available on rental housing shows that households with an annual income on the upper end of the very low income range would be able to afford some studio apartments in Carmel-by-the-Sea.
- **Low-Income Households:** Low-income households have an annual income ranging from 51 percent to 80 percent of the median family income. The maximum affordable purchase price ranges from \$135,000 to \$210,000. Given current sales prices, low-income households could not afford to buy a single-family home and no units were sold during 2008 within this price range. A low-income household could afford to pay rent from \$811 up to \$1,296 per month. Households in this income category could afford studio apartments



and some one-bedroom, one-bath apartments and rental houses in the City.

- **Moderate-Income Households:** Moderate-income households have an annual income ranging from 81 percent up to 120 percent of the median family income. The table shows that the maximum affordable house price for a moderate-income household ranges from \$210,000 to \$330,000. The median asking price of an existing single-family dwelling was \$992,500 in 2008. Therefore, a moderate income household could not afford a median priced single-family house in the City. No homes listed for sale in 2008 were offered within this price range, as the lowest sale price started at \$530,000. Households in this income category could afford to rent studios, one-bedroom and one-bath apartments/houses, and some of the two-bedroom, one-bath houses in the City.

Most rental properties affordable to lower-income households in the City consist of only one bedroom. Only moderate- and above moderate-income households could afford two bedroom units. Large households may have difficulty finding affordable housing suitable to their needs.

### A.3.6 Overpayment and Overcrowding

#### Overpayment

Overpayment is defined as households paying more than 30 percent of their gross income on housing related expenses, including rent or mortgage payments and utilities. High housing costs can cause households to spend a disproportionate percentage of their income on housing. This may result in repayment problems, deferred maintenance or overcrowding.

According to the 2000 U.S. Census, 30.3 percent of Carmel homeowners and 44.8 percent of renters spent more than 30 percent of their income on housing.

Lower income households with a disproportionate housing cost burden are more likely to have difficulty finding suitable housing. In general, a larger proportion of renter-households have disproportionate housing cost burdens than owner-households because of their typically lower incomes.

In addition to the data from the 2000 U.S. Census, this section also uses data from the 2000 Comprehensive Housing Affordability Strategy (CHAS) published by HUD. The CHAS data provides information related to households with housing problems, including overpayment, overcrowding and/or without complete kitchen facilities and plumbing systems. The CHAS data is based on the U.S. Census 2000 data files and are mostly comprised of a variety of housing need variables split by HUD-defined income limits and HUD-specified housing types.

As shown in [Table A-21: Overpayment by Tenure and Income, 2000](#), 72 percent of renters and nearly 87 percent of homeowners in the extremely low-income



category spent more than 30 percent of their income on housing. Over 85 percent of renters and 79 percent of homeowners in the very low-income category and 77.8 percent of renters and 51.2 percent of homeowners in the low-income category experienced overpayment. In the moderate-income category, overpayment was experienced by 20.2 percent of renters and 21.1 percent of homeowners.

**Table A-21: Overpayment by Tenure and Income, 2000**

	Income Category	Renters	Owners	Total
Household Income <=30% MFI	Extremely Low Income	157	61	218
% Cost Burden † >30%		72%	86.9%	76.1%
% Cost Burden † >50%		62.4%	63.9%	62.8%
Household Income >30% to <=50% MFI	Very Low Income	69	91	160
% Cost Burden † >30%		85.5%	79.1%	81.9%
% Cost Burden † >50%		79.7%	58.2%	67.5%
Household Income >50 to <=80% MFI	Low Income	203	82	285
% Cost Burden † >30%		77.8%	51.2%	70.2%
% Cost Burden † >50%		31.5%	34.1%	32.3%
Household Income >80% MFI	Moderate Income	563	1,039	1,602
% Cost Burden † >30%		20.2%	21.1%	20.8%
% Cost Burden † >50%		2.7%	4.8%	4.1%
Total Households		992	1,273	2,265
% Cost Burden † >30%		44.8%	30.3%	36.6%
% Cost Burden † >50%		23.4%	13.4%	17.7%
Notes:				
† Percentage of household income spent on housing costs				
Source: 2000 HUD CHAS data.				

### Overcrowding

An overcrowded housing unit is defined as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. A severely overcrowded housing unit is defined as one with more than 1.5 persons per room. Overcrowding can result from either a lack of affordable housing (which can force more people to live together) and/or lack of available housing units of adequate size.

In 2000, 33 housing units, or 1.4 percent of the total occupied units in Carmel-by-the-Sea were overcrowded, with 19 of these considered severely overcrowded. Among those overcrowded units, eight were occupied by homeowners, while 25 were occupied by renters.



## A.4 Special Needs Populations

Certain population groups may have a more difficult time finding decent affordable housing due to their special circumstances or needs. These “special needs” populations include elderly persons, large households, female-headed households, persons with disabilities, homeless, agricultural/farm workers, extremely-low income households, and students.

### A.4.1 Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes. Elderly persons are defined by HUD as persons age 62 years and older. Elderly persons often have special needs related to housing location and construction. Because of limited mobility, elderly persons typically need access to facilities and services (i.e. medical and shopping) and public transit. In terms of housing construction, elderly persons may need ramps, handrails, elevators, lower cabinets and counters and special security devices to allow for greater self-protection.

Carmel-by-the-Sea has a large proportion of senior households. In 2000, approximately 40 percent of the City’s households were headed by seniors, with 20 percent headed by single seniors. In 2000, eight percent of the heads of households were seniors countywide.

As shown in [Table A-22: Householders by Tenure and Age, 2000](#), 74 percent of Carmel’s senior-headed households owned their home, while 26 percent rented.

**Table A-22: Senior-Headed Householders by Tenure and Age, 2000.**

Householder Age	Owner		Renter		Total	
	Units	Percent	Units	Percent	Units	Percent
60-74 years	440	39%	131	11%	571	25%
75 plus years	409	36%	161	14%	570	25%
Total	849	74%	292	26%	1,141	50%

Source: 2000 U.S. Census, SF3 H14

As indicated in [Table A-23: Senior Citizen Median Household Income, 2000](#), the City’s median household income for households with a householder age 65 to 74 years was \$44,432 in 2000. In the same year, the median household income for households with a householder age 75 years or older was \$42,279.



**Table A-23: Senior Citizen Median Household Income, 2000**

Householder Age	2000
65-74 years	\$44,432
75+ years	\$42,279
Source: 2000 U.S. Census, SF3 P56	

The HUD median family income for Monterey County was \$50,300 in 2000. Based on 2000 U.S. Census data shown in [Table A-24: Senior Citizen Household Income, 2000](#), almost 16 percent of senior citizen households in Carmel earned less than \$15,000, falling within the extremely low-income category. Thirty percent of senior citizen households earned between \$15,000 and \$40,000, falling within the very low- and low-income categories. Sixteen and a half percent earned between \$40,000 and \$59,999, falling within the moderate-income category.

**Table A-24: Senior Citizen Household Income, 2000**

Income	Householder Age 65+ Years		
	Number	Percent	Income Category
<\$15,000	141	15.9%	Extremely Low Income
\$15,000-\$24,999	121	13.6%	Very-Low Income
\$25,000-\$39,999	150	16.9%	Low Income
\$40,000-\$59,999	147	16.5%	Moderate Income
\$60,000-\$99,999	153	17.2%	Above-moderate Income
\$100,000-\$149,999	98	11.0%	
\$150,000-\$199,999	43	4.8%	
>\$200,000	36	4.0%	
Total	889	100.0%	
Source: 2000 U.S. Census, SF3 P55			

The U.S. Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the U.S. Census are:

- **Sensory:** Blindness, deafness, or a severe vision or hearing impairment
- **Physical:** A condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.
- **Mental:** A condition lasting 6 months or more that made it difficult to perform certain activities including learning, remembering, or concentrating.



- Self-care: A condition lasting 6 months or more that made it difficult to perform certain activities including dressing, bathing, or getting around inside the home.
- Go-outside-home: Only asked for population 16 and older; a condition lasting 6 months or more that made it difficult to perform certain activities including going outside the home alone to shop or visit a doctor's office.
- Employment: Only asked for the population 16 and older; a condition lasting 6 months or more that made it difficult to perform certain activities including working at a job of business.

As shown in [Table A-25: Elderly with Disabilities Limiting Independent Living, 2000](#), 28.2 percent of the City's elderly population had one type of disability in 2000. Over 15 percent had two or more types of disability.

**Table A-25: Elderly with Disabilities Limiting Independent Living, 2000**

Disability Status	Total	Percent of People 65+
With one type of disability	354	28.2%
With two or more types of disability	196	15.6%
Total with a Disability	550	43.8%
Source: 2000 U.S. Census, SF3 PCT 26		

According to the 2000 CHAS data, 48.8 percent of the City's elderly renter-occupied households and 24.7 percent of elderly owner-occupied households experienced overpayment. The increasing number of elderly persons in the population usually creates a demand for more affordable housing. However, as shown in [Table A-23: Senior Citizen Median Household Income, 2000](#), the median income of Carmel was \$42,279 for seniors (75 years and older) and \$44,432 for seniors (65-74 years old). During that period the HUD median family income for Monterey County was \$50,300.

The Zoning Ordinance gives some incentives for providing Senior Housing: 1) A density bonus of up to 25 percent if 50 percent or more of all units in a development are reserved for Senior Citizens; and 2) Reduced on-site parking requirements. 1/3 space is required per senior unit.

Given that the senior income represents 84 percent of the Monterey County MFI, the City currently does not have additional policies that specifically address the elderly population's housing needs.

[Table A-26: Housing Problems for Elderly Households, 2000](#), provides a summary of housing problems experienced by elderly households in 2000 per income



category. According to the CHAS data, 45.8 percent of Elderly Renter-Households experience some type of housing problem, and 24.7 percent of Elderly Owner-Households experience some type of housing problem.

**Table A-26: Housing Problems for Elderly Households, 2000**

	Renters	Owners
<b>Elderly Households- Household Income ≤ 30% MFI</b>	<b>64</b>	<b>38</b>
% with any Housing Problems <sup>1</sup>	53.1%	89.5%
% Cost Burden <sup>2</sup> > 30%	53.1%	89.5%
% Cost Burden > 50%	29.7%	52.6%
<b>Elderly Households- Household Income &gt; 30% to ≤ 50% MFI</b>	<b>24</b>	<b>77</b>
% with any Housing Problems	58.3%	75.3%
% Cost Burden > 30%	58.3%	75.3%
% Cost Burden > 50%	41.7%	50.6%
<b>Elderly Households- Household Income &gt; 50% to ≤ 80% MFI</b>	<b>59</b>	<b>64</b>
% with any Housing Problems	66.1%	37.5%
% Cost Burden > 30%	66.1%	37.5%
% Cost Burden > 50%	33.9%	31.3%
<b>Elderly Households- Household Income &gt; 80% MFI</b>	<b>130</b>	<b>589</b>
% with any Housing Problems	30.8%	12.6%
% Cost Burden > 30%	23.1%	12.6%
% Cost Burden > 50%	0%	3.4%
<b>Total Elderly Households</b>	<b>277</b>	<b>768</b>
% with any Housing Problems	45.8%	24.7%
% Cost Burden > 30%	42.2%	24.7%
% Cost Burden > 50%	17.7%	12.9%
Notes:		
<sup>1</sup> "Housing Problems" defined as any occupied housing units lacking a complete kitchen, complete plumbing facilities, having 1.01 persons or more per room (overcrowded), or costing more than 30 percent of the occupant household's income.		
<sup>2</sup> Percentage of household income spent on housing costs		
Source: 2000 HUD CHAS data		

### A.4.2 Large Households

Large households, defined as those with five or more persons, are considered a group with special housing needs due to the limited availability of adequately sized affordable housing units. Unavailability of housing units with larger bedroom counts can result in overcrowding and accelerated unit deterioration.



As shown in Table A-27: Large Households by Tenure, 2000, large households represent 1.5 percent of the City’s total number of households.

**Table A-27: Large Households by Tenure, 2000**

Number of Persons in Unit	Owner Occupied	Renter Occupied	Total
Five	11	14	25
Six	10	0	10
Seven or more	0	0	0
Total	21	14	35
Percent of Total Households	0.9%	0.6%	1.5%

Source: 2000 U.S. Census, SF3 H17

### A.4.3 Female-Headed Households

Female-headed households are a special needs group due to comparatively low rates of homeownership, lower incomes and high poverty rates experienced by this group. According to the 2000 U.S. Census, 6.2 percent of all households were female-headed households with children and 5 percent of all households were female-headed households without children in Carmel-by-the-Sea. Of the total female-headed households in the City, 38 percent were renter-occupied and 62 percent were owner-occupied.

**Table A-28: Tenure in Female-Headed Households 2000**

Household Type	Number Owner Occupied	% of Owner Occupied	Number Renter Occupied	% of Renter Occupied	Total
Female householder, no husband present, with own children under 18	19	1.5%	41	4.2%	60
Female householder, no husband present, without own children	61	4.7%	8	0.8%	69
Total	80	6.2%	49	5.0%	129

Source: U.S. Census 2000 SF3 HCT1

### A.4.4 Persons with Disabilities

The Americans with Disabilities Act defines persons with disabilities as having a physical or mental impairment that substantially limits one or more major life activities. Persons with disabilities may have special housing needs. Access and affordability are often the two major housing needs for persons with disabilities. Access, both within the home and to/from the home site, is important for persons with disabilities. This often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for this special needs group. Many earn low incomes, have higher health care



costs, and are dependent on supportive services. Some persons with disabilities also require special accommodation in the design of housing (such as ramped access, one-story construction, or elevators).

The U.S. Census Bureau provides information on the number of persons with disabilities of varying types and degrees. [Table A-29: Persons Reporting Disabilities, 2000](#), shows the number of Carmel-by-the-Sea residents with disabilities. According to the 2000 U.S. Census, 13.9 percent of Carmel-by-the-Sea residents reported having one type of disability and 7.9 percent had two or more types of disabilities in 2000.

**Table A-29: Persons Reporting Disabilities, 2000**

Age Group	With one type of disability	% of Age Group <sup>1</sup>	With two or more types of disability	% of Age Group <sup>1</sup>	Total with Disabilities	% of Age Group <sup>1</sup>
5-15 yrs.	12	4.9%	0	0%	12	4.9%
16-20 yrs.	0	0.0%	0	0%	0	0.0%
21-64 yrs.	188	8.2%	118	5.1%	306	13.3%
65+ yrs.	354	28.2%	196	15.6%	550	43.8%
Total 5+ yrs.	554	13.9%	314	7.9%	868	21.7%
Note:						
<sup>1</sup> Total 5-15 year olds: 247; 16-20 year olds: 192; 21-64 year olds: 2,302; 65+ year olds: 1,255						
Source: 2000 U.S. Census, SF3 PCT 26						

[Table A-30: Housing Problems for Households with Mobility and Self-Care Limitation, 2000](#), provides a summary of housing problems experienced by households with mobility and self-care limitations in the Carmel-by-the-Sea. According to the 2000 CHAS data, almost 34 percent of the total number of households with mobility and self-care limitations experienced some sort of housing problem. These problems include overpayment, overcrowding and/or lack of complete kitchen facilities and plumbing systems.



**Table A-30: Housing Problems for Households with Mobility and Self-Care Limitation, 2000**

	Renters				Owners				Total House holds
	Extra Elderly <sup>1</sup>	Elderly <sup>2</sup>	All Other House holds	Total Renters	Extra Elderly <sup>1</sup>	Elderly <sup>2</sup>	All Other House holds	Total Owners	
Household Income ≤ 30% MFI	25	4	19	48	15	0	4	19	67
% with any Housing Problems <sup>3</sup>	60%	0%	78.9%	62.5%	100%	N/A	100%	100%	73.1%
Household Income > 30% to ≤ 50% MFI	20	0	10	30	8	4	10	22	52
% with any Housing Problems	50%	N/A	100%	66.7%	100%	100%	100%	100%	80.8%
Household Income > 50% to ≤ 80% MFI	15	0	0	15	0	4	0	4	19
% with any Housing Problems	100%	N/A	N/A	100%	N/A	100%	N/A	100%	100%
Household Income > 80% MFI	4	20	55	79	179	34	24	237	316
% with any Housing Problems	0%	50%	18.2%	25.3%	10.6%	11.8%	0%	9.7%	13.6%
Total Households	64	24	84	172	202	42	38	282	454
% with any Housing Problems	62.5%	41.7%	41.7%	49.4%	20.8%	28.6%	36.8%	24.1%	33.7%
Notes:									
1 Extra Elderly: 1 or 2 persons with either person 75 years or over									
2 Elderly: 1 or 2 persons with either person 62 to 74 years									
3 "Housing Problem" defined as any occupied housing units lacking a complete kitchen, lacking complete plumbing, having 1.01 or more persons per room (overcrowded), or costing more than 30 percent of the occupant household's income.									
Source: 2000 HUD CHAS data									

### A.4.5 Homeless

An accurate assessment of the homeless population is difficult because of the transient nature of the population. Many individuals are not visibly homeless, but move around in temporary living conditions.

The County documented a point-in-time count and prepared a series of independent homeless peer interviews as part of the 2007 Monterey County Homeless Census and Survey. This survey used two methods for data collection: a point-in-time count and a series of independent homeless peer interviews, as recommended by HUD. The first component of the survey was conducted on January 24<sup>th</sup>. The second component, one-on-one interviews with 403 homeless residents of Monterey County were conducted from early to late February 2007. The 2007 Monterey County Homeless Census and Survey counted 893 homeless people on streets within the 110 tracts, and counted an additional 509 homeless people in emergency shelters, transitional housing, and domestic violence shelters. Rehabilitation facilities reported having 76 homeless people, while numbers for County jails and hospitals were unavailable. The final estimate of the



2007 Monterey County Homeless Census and Survey is 1,402 persons, which excludes the rehabilitation centers, jails, and hospitals. Of these, none were documented as living in the Carmel/Carmel Valley area, which includes the City of Carmel-by-the-Sea.

The 2009 Monterey County Homeless Census and Survey employed the same methodology as the 2007 Survey. The point-in time- count of homeless included a count of homeless persons served in shelters and an observational count of homeless persons not in shelters. The sheltered count took place on the night of Tuesday, January 27 after shelters and housing programs closed for the night. The unsheltered count took place on Wednesday, January 28, from 4 to 9 am. These early hours helped avoid potential duplication of individuals captured as part of the sheltered count.

According to HUD definitions, the number of unsheltered and sheltered persons counted in 2009 point-in-time count was 2,407. The groups excluded from the HUD definition included 111 homeless people in county jail, 8 in county hospitals, 96 individuals in permanent supportive housing, and 78 in residential and rehabilitation facilities. The point-in-time count visually identified 1,628 unsheltered homeless individuals, representing 68 percent of the total homeless census count. There were 732 sheltered homeless people reported by emergency shelters, transitional housing, and domestic violence shelters. The sheltered homeless population represents about 30 percent of the 2009 homeless census population. The annual homeless population for Monterey County is estimated at 3,056 persons.

Of the total homeless persons identified in Monterey County by the 2009 Survey, eight persons were counted in Carmel-by-the-Sea. The Carmel-by-the-Sea Police Department documented three local homeless people in the City.

While no homeless shelter is located in Carmel, the Police Department refers homeless persons found within the City to Peninsula area shelters, including the Salvation Army/Monterey Peninsula Corps in Sand City and I-HELP, located in Seaside. Officers have a list of resources for the unsheltered homeless persons including referral numbers for emergency medical services, mental health services, food services, shelter facilities, and services for veterans. The City of Carmel does not have an official contractual agreement with these facilities. The Police Department and these shelters operate under common understanding that the existing shelters will accept homeless persons if there is capacity.

#### **A.4.6 Agricultural/Farm Workers**

Agricultural workers are defined as persons whose primary incomes are earned through seasonal agricultural work. Agricultural workers have special housing needs because they typically earn lower incomes than other types of workers and move throughout the season from one harvest to another. In 2000, eight persons, comprising less than 1 percent of Carmel-by-the-Sea's labor force, were employed in agriculture. It is assumed that only a small percentage of persons employed in this industry are involved in active agricultural production and harvest. Therefore, there is no apparent or recognized need for farmworker housing.



### A.4.7 Extremely-Low Income Households

Extremely-low income households are defined as households earning 30 percent or less of the MFI. In accordance with Chapter 891, Statutes of 2006 (AB 2634), cities must quantify the existing and projected extremely low-income households and analyze their needs. As part of the CHAS, HUD publishes data on households by income-level that experience housing problems, which include such issues as overpayment, overcrowding and/or lack of complete kitchen facilities.

The 2000 U.S. Census reports that extremely low-income households comprised 9.5 percent of total households in the City. [Table: A-31: Extremely-low Income Households with Housing Problems, 2000](#), summarizes the extremely-low income households with housing problems. The majority of the extremely-low income households are renter households. Approximately 76 percent of extremely-low income households experience overpayment.

**Table: A-31: Extremely-low Income Households With Housing Problems, 2000**

Housing Problem <sup>1</sup>	Renters	Owners	Total Extremely-low Income Households
Percent with any housing problems	72%	86.9%	76.1%
Percent with Cost Burden >30%	72%	86.9%	76.1%
Percent with Cost Burden >50%	62.4%	63.9%	62.8%
Total extremely-low income households with housing problems	157	61	218
Notes:			
<sup>1</sup> "Housing Problem" defined as any occupied housing units lacking a complete kitchen, lacking complete plumbing, having 1.01 or more persons per room (overcrowded), or costing more than 30 percent of the occupant household's income.			
Source: 2000 HUD CHAS data			

Housing types to accommodate the needs of extremely low-income households include transitional and supportive housing, single-room occupancy units (SROs), multi-family rental housing, factory built housing, workforce housing and mobile homes.

### A.4.8 Students

The college student population in the area is another significant factor affecting housing demand. Nearly 250 residents of Carmel-by-the-Sea were listed by the 2000 U.S. Census as college students, representing six percent of the City's population. Near Carmel, the Monterey Institute of International Studies (MIIS) is located in the City of Monterey and the California State University, Monterey Bay (CSUMB) is located in the cities of Marina and Seaside.

According to the CSUMB website, the student population has grown from 654 in 1995 to 4,080 in 2007. Fifty-five percent of the CSUMB students live in on-campus apartments, residence halls, and family housing.



According to the MIIS website, the student population consists of approximately 860 students. The MIIS does not have dormitories or on-campus housing. However, the school's student services provide exclusive short-term & long-term rental databases with approximately 90 percent of new students finding housing within three to five days from their arrival. According to the MIIS website, about half of the students live in rental units within walking or biking distance or a short distance by bus/car.

It is anticipated that some of Carmel's college students attend CSUMB and MIIS, while others may commute to UC Santa Cruz or attend other universities or colleges located in the region.

## **A.5 Affordable Housing**

### **A.5.1 Affordable Housing Inventory**

As of 2009, a total of 59 units in 12 developments currently provide housing. As shown in [Table A-32: Inventory of Assisted Rental Housing](#), these units are assisted through a variety of local programs. Each of these projects serves as an example of the methods and incentives used by the City to achieve production of affordable housing units.

#### **Oliver White Building and Viejo Carmel**

In 1987, the City granted a use permit to the private property owner of a small site (4,000 sq. ft.) known as the Oliver White Building (Dolores northeast of Eighth). This permit authorized the construction of a mixed-use development project with four residential dwelling units in the Residential and Limited Commercial (RC) District. Originally this site was developed with a single-story commercial building. The owner and the City worked together through the permit process to achieve a second story of residential apartments at a density of 44 units per acre. Since the project exceeded the base density of 33 units per acre, the applicant was required to provide one moderate cost rental unit. As part of the conditions of approval, the City did not permit the affordable unit to be converted to above market-rate housing.

The Viejo Carmel project (northwest corner of Junipero and Fourth Avenues) is a large example of infill development that provides affordable housing. This 20,000 sq. ft. site was occupied by semi-industrial uses and offices (welding shop, repair services, contractor's office, etc.). The City approved permits authorizing the site to be razed and redeveloped with ten condominiums and ten apartments at a density of 44 units per acre. Without density bonuses, the site could only achieve 15 residential units. With density bonuses, the developer gained three additional market rate units in exchange for providing 2 apartments reserved for low-income households. In addition to the density bonus, the City reduced the parking requirement for the low-income housing units. The applicant was required to preserve in perpetuity two rental units for low-income households



### **Norton Court Apartments**

In 1986, the City adopted a Specific Plan for Norton Court and granted a use permit to the Carmel Foundation (a key non-profit community organization for seniors) to construct Norton Court Apartments for seniors. As part of this development, the City entered into a 50-year agreement to lease the property for one dollar each year to the Carmel Foundation. This amounts to a substantial “land subsidy” provided by the City that offsets part of the cost of developing housing. While the Specific Plan does require all the units to be occupied by seniors it did not specify that the units be restricted as low- and moderate-income housing. Rents are maintained as affordable to lower income seniors strictly through private donations raised by the Carmel Foundation. No direct public funding is involved.

### **Trevett and Hazeltine Courts**

Trevett and Hazeltine Courts were developed with funding from the Carmel Foundation. Rents are maintained as affordable to lower income seniors with private donations raised by the Carmel Foundation. No public funding is involved.

### **San Carlos Lodge**

This site, located on San Carlos Street north of Fifth Avenue, was granted a use permit for a major addition and allowing the conversion of some existing apartments to transient motel units. As a condition of permit approval, the applicant retained two of the existing apartments as affordable housing for moderate-income households on the property. Use permit conditions do not allow these units to be converted to market-rate housing.



**Table A-32: Inventory of Assisted Rental Housing**

Development Name	Total Units	Household Type	Provided By	Expiration of Affordability
Oliver White Building	1	Moderate	Density Bonus	In perpetuity
Viejo Carmel	2	Low	Density Bonus	In perpetuity
Norton Court	24	Senior Low	Lease Subsidy and Specific Plan	Not applicable
San Carlos Lodge	2	Any	As part of motel conversion, the City required two affordable apartments	In perpetuity.
Trevett Court	9	Senior	Private non-profit	Not applicable
Hazelline Court	12	Senior	Private non-profit	Not applicable
Hasegawa	1	Low	Inclusionary	In perpetuity
Carl	1	Senior	Inclusionary	2027
Mandurrago	2	Senior	Inclusionary	In perpetuity
Mandurrago	2	Senior	Inclusionary	2020
Gonzales	1	Low	Inclusionary	In perpetuity
Ravel Corporation	1	Low	Inclusionary	In perpetuity
Trini Iye	1	Moderate	Inclusionary	In perpetuity
Total	59			
Source: City of Carmel-by-the-Sea Community Planning and Building Department, 2009.				

The City of Carmel is required by the California Coastal Act to document the number of affordable housing units in the City’s coastal zone. This analysis must include:

- The number of housing units approved for construction after January 1, 1982;
- The number of units for persons and families of low and moderate income that have been required to be included in new housing developments within three miles of the coastal zone;
- The number of existing units occupied by low- or moderate-income residents; and
- The number of low- and moderate-income residential units that have been replaced, demolished or converted.

The City’s housing stock is entirely located within three miles of the coastal zone. As shown in Table A-32, the City has a total of 59 affordable housing units, all constructed after 1982. During the previous and current planning period (2002 to the present), no affordable housing units have been replaced, demolished or converted.



### **A.5.2 Potential Loss of Assisted Housing Units**

Housing units developed with public subsidies are an important source of affordable housing to lower income households. Preserving the long-term affordability of such housing units is the most cost-effective means for providing decent and affordable housing to lower income households in a community. Recognizing this important resource, State Housing Element law requires that a jurisdiction examine the potential loss of publicly subsidized multi-family rental housing for lower income households due to expiration of deed restrictions, affordability covenants, and/or subsidy contracts.

Norton Court, Trevett Court, and Hazeltine Court are owned and operated by the Carmel Foundation, which does not intend to convert the units to market rate housing within this Housing Element cycle. Trevett Court and Hazeltine Court did not receive any public assistance and have no deed restrictions or affordability covenants. While Norton Court receives a subsidized property lease, no use restriction was ever placed on the property to maintain the units as affordable housing. Units in the Oliver White Building, Viejo Carmel, and San Carlos Lodge are restricted as affordable housing in perpetuity. Therefore, no housing units in Carmel-by-the-Sea that meets the State's definitions of affordable housing are at-risk of losing affordability controls over the next ten years.



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## B CONSTRAINTS ON HOUSING PRODUCTION



Market, governmental, infrastructure, and environmental factors may constrain the provision of adequate and affordable housing. These constraints may result in housing that is not affordable to lower and moderate income households, or may render residential construction economically infeasible for developers.

### B.1 Governmental Constraints

Local policies and regulations can impact the price and availability of housing and in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, and permit processing procedures may present constraints to the maintenance, development and improvement of housing. This section discusses potential governmental constraints in Carmel-by-the-Sea.

#### B.1.1 Land Use Controls

The Land Use Element of the Carmel-by-the-Sea General Plan sets forth policies for development Citywide, including residential development. These land use policies, coupled with zoning regulations, establish the amount and distribution of land for different uses. Housing supply and costs are affected by the amount of



land designated for residential use, the density at which residential development is permitted, and the standards that govern the character of development.

### General Plan

Every city in California is required to have a General Plan, which establishes its land use-related goals and policies. The General Plan is the foundation of all land use controls in a jurisdiction. The Land Use Element of the General Plan identifies the location, distribution and density of the land uses within the City. Residential densities are expressed in dwelling units per acre (du/ac). The Carmel-by-the-Sea General Plan identifies two residential land use designations and two designations that include both commercial and residential uses. [Table B-1: General Plan Residential Land Use Designations](#) summarizes Carmel-by-the-Sea’s residential land use designations and their associated acreages and density ranges.

**Table B-1: General Plan Residential Land Use Designations**

Designation	Description	Existing Acreage	Permitted Density
Single-Family Residential	Intended to provide for single-family residential development at low densities.	344.85	2 – 11 du/ac
Multi-Family Residential	Intended to provide for multiple family residences at a high density.	5.81	≤33 du/ac ≤44 du/ac with affordable housing component
Core Commercial	Intended to provide for a wide range of retail and service uses in scale with the overall residential character of the community.	11.71	≤33 du/ac
Residential/Commercial	Intended to provide for a mix of residential dwellings and a limited range of office and service uses in scale with the character of the community.	18.06	≤33 du/ac

Source: City of Carmel-by-the-Sea General Plan.

Depending on land costs, certain densities are needed to make a housing project economically feasible for people at various income levels.

In 2004, Assembly Bill (AB) 2348 established “default” density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction’s share of regional housing need for lower income households. For jurisdictions such as Carmel-by-the-Sea in suburban counties, the “default” density is a minimum of 20 dwelling units per acre.

### Zoning Code

The Zoning Code is the primary tool for implementing General Plans. It is designed to protect and promote public health, safety and welfare, as well as to



promote quality design and quality of life. The City of Carmel-by-the-Sea's residential zoning designations control both the use and development standards of each residential parcel, thereby influencing the development of housing.

The Carmel-by-the-Sea Zoning Code provides for a variety of residential development types. [Table B-2: Residential Land Use Controls](#) summarizes the zoning districts that permit by-right residential development or residential development subject to a conditional use permit.

**Table B-2: Residential Land Use Controls**

Zoning Code Designation	Zoning District(s)	Primary Residential Types
Residential Low Density	R-1	Single-family residential dwellings.
Residential Low, Medium, and High Density Residential	R-4	Low to Medium density single-family detached dwellings are permitted. High density multi-family residential dwellings including duplexes, apartments and condominiums are permitted via Conditional Use Permit.
Commercial Low, Medium and High Density Residential	CC, SC, RC	Residential uses above commercial or on ground floor.

Source: Carmel-by-the-Sea Zoning Code.

The City has adopted a Subordinate Unit Ordinance that allows second units to be built in the R-1 district. Two classes of new subordinate units can be constructed. Class 3 subordinate units are designed to facilitate the housing needs of persons with disabilities who find it necessary to live with or near a companion, but where separate, self-contained facilities are important to both parties. Class 4 subordinate units are established to provide affordable housing to low- or very low-income households as defined by California Statutes. (Class 1 and Class 2 subordinate units apply to 271 existing units that pre-dated adoption of the ordinance).

### **B.1.2 Residential Development Standards**

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Code. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the City General Plan. The Zoning Code also provides tools to help preserve the character and integrity of existing neighborhoods.

The largest zoning district in the City is the Single-Family Residential (R-1) District. Approximately half of the parcels in this zone are 4,000-square-foot lots. The remaining lots reflect a wide diversity of larger sizes. The Zoning Code establishes the maximum amount of residential floor area that can be developed on a single-family lot. For the typical 4,000 square foot lot, the maximum above-



ground floor area with garage is 1,800 square feet with maximum site coverage of 2,400 square feet. Additional floor space is allowed in basements through an incentive program. For parcels over 4,000 square feet in area, the City uses a sliding scale to determine maximum floor area and site coverage. Housing units within this district may contain up to two stories, plus a basement. The maximum roof height of buildings is 18 feet for a single-story unit and 24 feet for a two-story unit. Front and rear yard setbacks are generally established at 15 feet. A variety of side yard setback combinations can be used to ensure that at no point will any structure occupy more than 75 percent of the lot width.

Carmel's Zoning Code also allows for development of multi-family dwelling units. The R-4 District was created to establish an area for apartments and attached housing.

Residential uses are allowed within each of the City's commercial land use districts at a maximum density of 33 units per acre, with a bonus density of up to 44 units per acre when a development includes affordable housing. Buildings within this district may have up to two stories plus an underground garage.

Floor area bonuses of five to ten percent may be granted to projects that include permanent apartments reserved for senior citizens and/or low- or very low-income households. Sites abutting or across the street from an R-4 or RC district require at least a five-foot front yard setback, while sites abutting or across from the R-1 district require a front yard setback of 7.5 feet. Sites abutting an R-1 or R-4 district require a rear setback of 10 feet. Sites in other locations do not require a rear setback. Buildings within this district may have up to two stories plus an underground garage.



**Table B-3: Summary of Zoning Requirements**

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Maximum Floor Area (Sq. Ft.)	Maximum Building Height	Minimum Front Yard (Ft.)	Minimum Interior Side Yard (Ft.)	Minimum Street Side Yard (Ft.)	Minimum Rear Yard (Ft.)
<b>Residential Districts</b>								
R-1	2,500 <sup>i</sup> 4,000	22% of the base floor area	Less than 45 percent of the area of the building site <sup>ii</sup> 2,400 <sup>iii</sup>	24 feet 2 stories	15	3	5	15
R-4	4,000	33 units/acre 44 units/acre with density bonus	N/A	26 feet 2 stories	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback <sup>iv</sup>	N/A	No setback 10 – if abutting R-1 or R-4
					Buildings shall not be less than six feet from any other building on the same site.			
<b>Commercial Districts</b>								
CC	N/A	One story – 95% of the site area Two story – 135% of the site area 150% with 15% bonus	N/A	30 feet 2 stories	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback <sup>iv</sup>	N/A	No setback 10 – if abutting R-1 or R-4
SC	N/A	One story – 95% of the site area Two story – 135% of the site area 150% with 15% bonus	N/A	30 feet 2 stories	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback <sup>iv</sup>	N/A	No setback 10 – if abutting R-1 or R-4
RC	N/A	One story – 70% of the site area Two story – 80% of the site area 95% with 15% bonus	N/A	26 feet 2 stories	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback <sup>iv</sup>	N/A	No setback 10 – if abutting R-1 or R-4
<sup>i</sup> Lots of record in existence on February 4, 1948. <sup>ii</sup> Applies to sites less than 4,000 square feet. <sup>iii</sup> The maximum potential floor area on a site is the sum of the base floor area plus any bonus floor area. The City uses a sliding scale to determine maximum floor area and site coverage. <sup>iv</sup> If abutting R-4 or RC district a side yard setback of at least 5 feet along at least 50% of each side property line. The remaining 50% requires no setback unless the faces a public street. Any site abutting R-1 district requires a setback of five feet along entire sideyard.								
Source: City of Carmel-by-the-Sea Municipal Code, Chapter 17.								



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### B.1.3 Parking Standards

The Zoning Code also establishes parking requirements for each zoning district. In the R-1 District, one parking space per dwelling must be provided on sites of 8,000 square feet or less in area and two parking spaces per dwelling on sites larger than 8,000 square feet in area. One parking space must also be provided for each guesthouse. Requirements for other districts are listed below in [Table B-3: Parking Standards](#).

**Table B-3: Parking Standards**

Land Use	Basis for Requirement	R4	CC	SC	RC
Permanent Residential Use	Spaces per Unit	1.5	1.0	1.0	1.5
Affordable Housing for Moderate, Low, or Very Low Income	Spaces per Unit	0.5	0.5	0.5	0.5
Senior Housing, Cooperative Housing or Group Care Facilities	Spaces per Unit	0.33	0.33	0.33	0.33
Nursing Home or Other Residential Care Facilities	Spaces per Patient or Resident	0.33	N/A	0.33	0.33
Transient Residential	Spaces per Rental Unit	1.0	1.0	1.0	1.0

Source: City of Carmel-by-the-Sea Zoning Code, 2008.

## B.2 Provisions for a Variety of Housing

Housing Element law specifies that jurisdictions must identify sites to be made available through appropriate zoning and implement development standards to encourage and facilitate the development of housing for all economic segments of the community. This includes single-family homes, multi-family housing, manufactured housing, transitional housing, farm worker housing, and emergency shelters.

[Table B-4: Residential Uses Permitted in Major Zones](#) summarizes the housing types permitted by-right, conditionally permitted or prohibited in the City by zone. In addition to single family and multifamily houses, the City also permits or conditionally permits subordinate units, senior citizen housing, community care facilities, community social service facilities, residential care facilities, and transitional housing in many of the residential and non-residential zones. The City permits mobilehomes as a single family residential use, subject only to the design review requirements as any other single family residential use in the same zone.

A conditional use permit is required for multi-family projects with densities greater than 22 du/ac. The conditional use permit review process is concurrent with the City's design review process so no additional time is needed. The following standard findings are required for all conditional use permits:



- That the proposed use will not be in conflict with the City's General Plan.
- That the proposed use will comply with all zoning standards applicable to the use and zoning district.
- That granting the use permit will not set a precedent for the approval of similar uses whose incremental effect will be detrimental to the City, or will be in conflict with the General Plan.
- That the proposed use will not make excessive demands on the provision of public services, including water supply, sewer capacity, energy supply, communication facilities, police protection, and fire protection.
- That the proposed use will not be injurious to public health, safety or welfare.
- That the proposed use will be compatible with surrounding land uses and will not conflict with the purpose established for the district within which it will be located.
- That the proposed use will not generate adverse impacts affecting health, safety, or welfare of neighboring properties or uses.

Based on the number of projects that have been approved with densities above 22 du/ac (see Section A.5.1. Affordable Housing Inventory), the City has not found the conditional use requirement to negatively impact the cost or supply of multi-family housing. The conditional use permit allows the City to permit development of higher density multi-family projects while ensuring negative impacts to the surrounding neighborhood are minimized or eliminated.

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**Table B-4: Residential Uses Permitted In Major Zones**

Zone	Single Family	Multiple Family		Subordinate Units				Senior Citizen Housing	Community Care Facilities	Community Social Service Facilities	Residential Care Facilities			Transitional Housing Facility
		0-22 du/ac	>22 du/ac	I	II	III	IV				General	Limited	Senior	
<b>Residential Districts</b>														
R-1	P	---	---	P	P	C	P	L-3	---	C-1	---	L-3	---	---
R-4	P	P	C	---	---	---	---	P	L-2	L-2	---	P	C	---
<b>Commercial Districts</b>														
CC	P	P	C	---	---	---	---	P	P	P	---	---	---	---
SC	P	P	C	---	---	---	---	P	P	P	C	P	C	---
RC	P	P	C	---	---	---	---	P	P	P	C	P	C	C
P = Permitted by Right; C = Conditional Use Permit Required; "—" = Not listed for the zone; L# = Limited # 1. Allowed only on existing quasi-public use sites established prior to December 1, 1980, or added as an accessory use to such existing uses. 2. Limited to existing commercial spaces established prior to 1993 and occupied by commercial uses continuously since that time. 3. Limited to occupancy within a single-family residence.														
Source: City of Carmel-by-the-Sea Municipal Code Chapter 17														



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## B.2.1 Facilitating Special Needs Housing

Carmel-by-the-Sea has adopted policies to proactively facilitate and encourage special needs housing throughout the community. These policies are designed to ensure that all persons have the opportunity to find suitable housing. The following details provisions of the Zoning Code allowing for special needs housing.

### Agricultural/Farm Workers Housing

The City does not have any housing exclusively for farmworkers. However, as described in [Appendix A - Needs Assessment](#), the 2000 Census identified less than one percent of Carmel-by-the-Sea residents were employed in farming, fishing, and forestry occupations. Therefore, no specific policy or program is currently needed to address farm worker housing.

### Transitional Housing and Emergency Shelters

Emergency shelters for the homeless is defined as a residential facility, lodging house, or dwelling, where no rent is paid, that provides temporary accommodation to homeless persons and/or families. State Housing Law requires that cities identify sites that are adequately zoned for emergency shelters and transitional housing. Additionally, cities must not unduly discourage or deter these uses.

Pursuant to recent changes in State law (SB 2), jurisdictions with an unmet need for emergency shelters are required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

As described in [Appendix A - Needs Assessment](#), the Police Department estimates there are three transient residents in the City. There are no emergency shelters located in the City. However, the Zoning Code addresses siting of emergency shelters and transitional housing. Shelters for families and single women with children are permitted at all churches in the community as a part of their social outreach functions. Religious facilities are conditionally permitted in the R-1 district (only on existing quasi-public use sites established prior to December 1, 1980, or added as an accessory use to such existing uses) and allowed with a conditional use permit (CUP) in the RC district. The Zoning Code allows transitional housing facilities in the RC zone with a CUP.

Community social service facilities include any noncommercial housing facility, such as homeless shelters or emergency shelters. Community social service facilities are permitted by-right in the CC, SC, and RC districts as well as with a CUP in the R-1 and R-4 districts. This classification excludes transitional housing facilities that provide long-term living accommodations.



This Housing Element will include a program to amend the Zoning Code provisions for supportive and transitional housing consistent with the provisions of SB 2.

### **Senior Housing**

Senior Housing refers to housing provided for senior citizens as defined by the State of California. Senior housing is permitted in the CC, SC, RC and R4 districts as well with a CUP in the R-1 district.

### **Community Care Facilities**

Community Care Facilities refer to facilities providing non-medical care and supervision under license from the California State Department of Social Services. This classification excludes hospitals, residential care facilities, family day care homes, day care centers, and transitional housing. Community care facilities are permitted in the CC, SC, and RC districts as well as with CUP in the R-4 district.

### **Residential Care Facilities**

Residential care facilities include facilities that are licensed by the State of California to provide living accommodations and 24-hour, primarily non-medical care and supervision for persons in need of personal services, supervision, protection, or assistance. Living accommodations are shared living quarters with or without separate kitchens or bathrooms for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or nonprofit institutions.

Residential care facilities include three subgroups discussed below.

#### **General**

“General” refers to a residential care facility providing 24-hour non-medical care for more than six persons in need of personal services, supervision, protection, or assistance. This classification includes hospices, board and care homes, and similar establishments that are licensed by the State of California. General residential care facilities are permitted with a CUP in the CC and RC districts.

#### **Limited**

“Limited” refers to a residential care facility providing 24-hour non-medical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those facilities licensed for residential care by the State of California. Limited residential care facilities are permitted in the CC, RC, and R-4 districts, as well as with a CUP in the R-1 district.

#### **Senior**

“Senior” refers to a residential care facility providing 24-hour medical or non-medical care for more than six persons 60 years of age or older in need of personal services, supervision, protection, or assistance for sustaining the



activities of daily living. This classification includes nursing homes for the elderly, life care or continuing care homes, and similar facilities licensed for residential care by the State of California. Senior residential care facilities are permitted with a CUP in the SC, RC, and R-4 districts.

### **Single-Room Occupancy**

The City's Zoning Code section 17.8.5(E) currently requires multifamily units to be at least 400 square feet. It also requires that all multifamily projects of three or more units include a mix of unit sizes, and at least 25 percent of all units is required to be 400 to 650 square feet in size.

### **Manufactured Housing**

Pursuant to State law, the City allows manufactured housing if placed on a permanent foundation, in all residential zones. Such housing is subject to the same development standards and design review criteria as wood-frame housing.

### **Housing for Persons with Disabilities**

The U.S. Census Bureau defines persons with disabilities as those with a long-lasting physical, mental or emotional condition. This condition can make it difficult for a person to perform certain activities such as seeing, hearing, talking, walking, climbing stairs, lifting or carrying, or difficulty with certain social functions. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

### **Reasonable Accommodation Procedures**

Pursuant to SB 520, cities are required to analyze potential and actual constraints on the development, maintenance and improvement of housing for persons with disabilities, and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. Cities are required to include programs that remove constraints and provide reasonable accommodations for housing designed for persons with disabilities.

The City of Carmel-by-the-Sea does not currently have a formal process for requesting a reasonable accommodation. Typically a request is forwarded to the Planning Commission for determination of whether a 'reasonable accommodation' is appropriate. As a result, this Housing Element will include a program to establish written and administrative reasonable accommodation procedures in the Municipal Code for providing exception for housing for persons with disabilities.

### **Zoning Regulations**

The City has not identified any zoning or other land-use regulations that could discriminate against persons with disabilities or impede the availability of such housing for these individuals.

Examples of the ways in which the City facilitates housing for persons with disabilities through its regulatory and permitting procedures are:



- As discussed above, the City Zoning Code allows residential care facilities for six and fewer and six and more persons in various commercial districts.
- The City has also adopted reduced parking requirements (0.33-space per unit or bed) for Senior Housing, Cooperative Housing, Group Care Facilities, Nursing Homes and Other Residential Care Facilities. Retrofitting of dwellings to meet the needs of persons with disabilities is also an eligible activity under the City's Housing Rehabilitation Program. Construction and rehabilitation activities are also subject to the Federal Americans with Disabilities Act requirements and the City is active in promoting ADA compliance.
- The City defines family as "an individual or two or more persons living together as a single nonprofit housekeeping unit and sharing common living, sleeping, cooking, and eating facilities, " which is consistent with the State's definition of family.

## **B.2.2 Flexible Development Standards**

Carmel-by-the-Sea's Zoning Code includes provisions for flexible development standards. This flexibility can be an important means to address important goals and objectives of the City, such as providing affordable housing for all income groups.

### **Mixed-Use Development**

The R-4, CC, SC, and RC zoning districts allow for residential development in conjunction with office and/or commercial uses; otherwise known as mixed-use development. This form of development has been used successfully to combine apartments with retail and offices throughout Carmel's downtown area.

### **Subordinate Units**

This ordinance implements State law by providing guidelines for provision of second units on single-family lots as a source of affordable housing while preserving the existing residential character of the neighborhood. Subordinate units are allowed on lots of 8,000 square feet and larger. Owners of lots developed with both a primary dwelling and a subordinate unit can live in either unit or can rent both units.

### **Reduced Parking Requirements**

The City provides five options for meeting parking requirements: (1) on-site surface parking; (2) on-site underground parking; (3) off-site parking if surplus parking on some nearby site is dedicated to a development project; (4) payment of fees in-lieu of parking if site conditions make on-site parking difficult; and (5) shared parking for mixed-use projects. In addition, the City requires 0.5 spaces per unit for affordable housing compared with 1 to 1.5 spaces per unit for market-rate units.



In summary, the City of Carmel-by-the-Sea provides flexible tools in its Zoning Code to facilitate and encourage infill development and housing opportunities in single-family, multi-family, and commercial zones. These tools can be used to help reduce the cost of housing.

### **B.2.3 Programs to Achieve Housing Affordability**

Carmel-by the Sea provides several tools to encourage the production of affordable housing. These programs help achieve diversity and balance of housing types that are affordable to all economic segments of the community. The primary tools Carmel uses to ensure affordable housing are:

#### **Density Bonus Program**

The City has adopted a 33 percent density bonus for projects that include affordable housing units.

For residential projects at densities between 33 and 44 units the Zoning Code requires that at least one of the following three standards be met:

- At least 20 percent of all units on the site will be used as housing for “lower-income households;” or
- At least 10 percent of all units on the site will be used as housing for “very low-income households;” or
- At least 50 percent of all dwellings units on the site will be used as housing for “senior citizens” as established in California Housing Statutes.

Due to lack of water, the City has processed very few multi-family projects over the past five years. However, most of the projects the City has approved in recent years have included affordable units to qualify for a density bonus. While there have been no significant problems in implementation, certain aspects of the program may not encourage the development of very low-income units as well as low-income units, which may conflict with the intent of State law. The last update to the Housing Element provided a program that would reflect the provisions and intent of State law by altering the way that density bonus units are calculated. However, this program was not implemented. Therefore, the fractions of units continue to be rounded down, creating disparities between lots of different sizes. The City will include in this Housing Element update a program to revise its density bonus program based on recent legislation (SB 1818 and AB 2280).

#### **Mixed-Use Development Floor Area Bonuses**

The Zoning Code provides for floor area bonuses for mixed-use projects in all commercial districts and the R-4 district that include housing for lower income households. Table [B-5: Affordable Housing Bonuses](#) summarizes the requirements and bonuses awarded to projects based on affordability level.



**Table B-5: Affordable Housing Bonuses**

Affordability / Income Level <sup>1</sup>	Unit Requirement	Floor Area Bonus
Moderate Income	At least 25 percent of units reserved for moderate income	Up to 5 percent
Low Income	At least 20 percent of units reserved for low income	Up to 10 percent
Very Low Income	At least 10 percent of units reserved for very low income	Up to 15 percent
Notes:		
<sup>1</sup> The Zoning Code uses AMBAG's definitions of the income levels.		
Source: City of Carmel-by-the-Sea Zoning Code, 2008.		

### Reduced Development Fees

The City's fee schedule discounts planning and building fees proportional to the percentage of the development devoted to affordable units. For example, a project including ten percent affordable units, receives a ten percent discount on development fees.

### Expedited Permit Processing

Little backlog exists in the City's development review process. However, the City moves projects with affordable housing ahead of other projects in the development processing queue when setting development review agendas. Due to Permit Streamlining laws, this incentive is less powerful than it once was. However, it may reduce review time by as much as a month. Even this minor benefit attracts developer attention during pre-application meetings. Projects that include affordable housing are also expedited through the plan check process.

### Reduced Parking Requirements for Affordable Housing

The City has adopted a reduced parking requirement for developments that include affordable housing (refer to [Table B-4: Parking Standards](#)). Parking costs contribute significantly to the cost of development in Carmel-by-the-Sea and this flexibility often makes affordable housing more feasible.

The combined effect of programs in the Carmel-by-the-Sea Zoning Code facilitates the production of affordable housing and encourages developers to include affordable units in new development projects.

## B.3 Building Codes and Enforcement

Building and safety codes are adopted to preserve public health and safety, and ensure the construction of safe and decent housing. These codes and standards also have the potential to increase the cost of housing construction or maintenance.



### B.3.1 Building Codes

Carmel-by-the-Sea has adopted the 2007 California Building Code, which is based on the 2006 International Building Code and establishes construction standards for all residential buildings. The Code is designed to protect the public health, safety and welfare. The City amends the Code as needed to further define requirements based on unique local conditions.

The City's adopted amendments to the 2007 California Building Code provide for the following:

- In cases where structures are abandoned, they will be abated in the interests of public health, safety and welfare. A building or structure is deemed abandoned if such damaged building or structure is unusable for any permitted use as it existed prior to damage, for four consecutive months.
- Buildings or structures relocated or moved within the City limits do not need to comply with the requirements of a new building.
- A certification of occupancy can not be issued until the driveway, approach, planning, zoning and Fire Department requirements have been completed and approved.
- Openings in Exterior Walls located opposite the following groups and commercial zones are not permitted if there is less than 3 feet from the property boundary (Group A, E, I, B, M, and R) and protected (Group A, E, I, B, and M) if that distance is less than 6 feet. ("Protected" openings mean wire glass non-operable windows and solid core one and three-quarter-inch rated self-closing fire doors.
- When there is a change in ownership of any Group R, Division 3 occupancy (dwellings and lodging houses), a smoke detector installation is required.
- For all buildings in the City, any new roof covering, or any roof covering in the event of re-roofing of 25 percent or more of any existing roof, is required to be of a fire-retardant material.
- All sites where grading and/or excavation are conducted are required to adhere to the latest edition of the California Building Code. In addition, the following requirements have to be met:
  - When the fill or excavation exceeds 50 cubic yards a bond of \$1,000 has to be obtained to ensure the public way and property is maintained clear and in a clean manner.
  - Tree protection, drainage and erosion controls are required to be in place prior to, and during, all work, until completion of the project.



The City's Building Official oversees code enforcement. The City employs two part-time code enforcement officers: one for residential districts and one for commercial districts. Code enforcement in Carmel-by-the-Sea operates in majority on reactive basis. When a violation on a property is either reported or discovered, a violation notice is sent to the property owner. The property owner is given the option to apply for a permit, if applicable, to correct the violation or to remove the violation all together.

Based on its analysis, the City finds that the adopted Building Code and Zoning Code enforcement activities are not constraints to the development, maintenance or preservation of housing.

### **B.3.2 Americans with Disabilities Act**

The Federal Fair Housing Act of 1998 (FHA) and the Americans with Disabilities Act (ADA) are federal laws intended to assist in providing safe and accessible housing. ADA provisions include requirements for a minimum percentage of units in new developments to be fully accessible for persons with physical disabilities. Compliance with these regulations may increase the cost of housing construction as well as the cost of rehabilitating older units, which may be required to comply with current codes. However, the enforcement of ADA requirements is not at the discretion of the City, but is mandated under federal law.

## **B.4 Planning and Development Fees**

### **B.4.1 Planning Fees**

The City charges fees and assessments to cover the costs of processing permits. [Table B-6: Typical Residential Planning Fees](#) summarizes these costs. The City does not charge any development impact fess. The Carmel Unified School District charges a development impact fee of 49 cents a square foot for new construction. The Monterey Peninsula Water Management District charges a permit processing fee of \$210 for single family projects and \$350 for multi-family projects.



Table B-6: Typical Residential Planning Fees

Development Process	Fee	
	Single Family	Multi-Family
Administrative Permits	\$140 - \$370	\$140 - \$370
Preliminary Site Assessment	\$300	\$300
Residential Design Study	\$1,425	\$1,650
Demolition	\$200	\$200
Conditional Use Permits	\$595 - \$760	\$595 - \$760
LotLine Adjustment	\$760	\$760
Subdivision	\$1,425	\$1,425
Variance	\$760	\$760
General Plan Amendment	\$2,800	\$2,800
Zoning Code Amendment	\$2,800	\$2,800
Specific Plan	\$2,800	\$2,800
Environmental Review	\$2,800	\$2,800
Planning Studies (noise, traffic, etc.)	\$2,800	\$2,800
Building Permits	Varies by construction value	Varies by construction value
Source: City of Carmel-by-the-Sea Planning Department, 2009.		

Table B-7: Typical Total Planning, Development and Impact Fees summarizes the costs for a typical single family project, small multi-family project and large multi-family project. The single family and small multi-family project fees are based on recent projects that are typical examples of the size and scale projects in Carmel. The single family fees assume demolition of an existing unit and construction of a 1,800 square foot house. The small multi-family fees assume conversion of a second floor commercial space to two residential condos. The large multi-family project is based on demolition of a 9-unit building and replacement with a 14-unit building with a total of 8,700 square feet and an underground garage. This larger project is less common in Carmel.



Table B-7: Typical Total Planning, Development and Impact Fees

Development Process/Fee	Single Family	Small Multi-Family	Large Multi-Family
Design Review/Coastal Permit	\$1425	\$1,650	\$1,650
Use Permit	--	--	\$760
Demo Permit	\$200	--	\$200
Plan Check Fee	\$1737.94	\$1,700	\$6102.69
Building Permit Fee	\$2,673	\$2,670	\$9388.75
Water Management Fee	\$210	\$350	\$350
School Impact Fee	\$784	\$980	\$4,263
<b>Total (project)</b>	<b>\$7,029.40</b>	<b>\$7,350.00</b>	<b>\$22,714.44</b>
<b>Total (per unit)</b>	<b>\$7,029.40</b>	<b>\$3,675.00</b>	<b>\$1,622.46</b>

Source: City of Carmel-by-the-Sea Planning Department, 2009.

## B.5 Local Processing and Permit Procedures

Given the water constraints and lack of vacant land, proposals for development in the City, particularly for residential development, have been limited. Therefore, the local processing time is not delayed by backlog. Typically, the City's processing time is approximately three to four months for the development of a single-family home and six to eight months for a multi-family or mixed-use development, which includes projects requiring design studies, use permits, or coastal development permits. [Table B-7: Review/Approval Requirements](#) summarizes the types of permits the City requires for certain types of projects.



**Table B-7: Review/Approval Requirements**

Zoning District	Design Study	Use Permit	CDP*
<b>R-1</b>			
Single family residence	√		√
Subordinate unit	√		√
Guesthouse	√	√	√
Plumbing fixtures not in a kitchen, bathroom, laundry room, or workshop		√	
Building sites exceeding 30 percent slope	√	√	√
Variance to zoning standards	√		√
<b>R-4</b>			
Single family residences	√		√
Multifamily residences 0-22 units/acre	√		√
Multifamily residents residences 23-44 units/acre	√	√	√
<b>Commercial Districts</b>			
Multifamily residences 0-22 units/acre	√		√
Multifamily residents residences 23-44 units/acre	√	√	√
Note: * CDP – Coastal Development Permit – Required for all projects that increase the height and/or floor are on an existing structure by 10 percent or more.			
Source: City of Carmel-by-the-Sea Community Planning and Building Department, 2008.			

A preliminary site assessment (PSA) for the property on which the project will occur is required prior to application submittal. The PSA is prepared by the City Forester and Planning staff and identifies the opportunities and constraints of the site. By designing a project that responds to the PSA, the applicant has the opportunity to expedite the application process by mitigating potential project impacts prior to submitting an application.

New residential development requires approval of a Design Study. A Use Permit and Coastal Development Permit (CDP) may also be required and are processed concurrently with the Design Study.

Design Study applications are required to achieve consistency with residential zoning standards and are evaluated using the City's Residential Design Guidelines. Early in the development review process, the City makes available to applicants the Residential Design Guidelines as codified in the Zoning Code, a list of required application materials, applicable zoning standards, and a list of required findings for approval. These materials clearly delineate the standards and guidelines by which each project is measured. As explained in the Design Guidelines, the primary purpose of the design review process is to ensure that



projects enhance and maintain the City's residential village character. The following are examples of issues considered during the Design Review process:

- Site and building design with respect to topography, vegetation, public and private views, site drainage and erosion, and solar access;
- Compatibility with adjacent uses in terms of bulk, scale, massing, architecture, and privacy; and
- Landscaping that is drought tolerant, consistent with the neighborhood character, and consistent with the City's Urbanized Forest objectives.

A Design Study requires two hearings: Concept Review and Final Review. At Concept Review, the reviewing body analyzes the project in terms of its impact on the urban forest; neighborhood character; topography; open space; privacy, views, light and air; parking and access; and building mass and scale. The Final Review measures the project's consistency with the building and landscape design guidelines. Required findings and standard conditions are attached to each Design Study approval. A volume study is also required, which is completed by one of the City's consulting architects. The study begins after the Concept Review phase and typically takes two weeks to complete. The Track 2 Design Study application requires at least two to three months to process. Track two is a discretionary review process for projects that require a public hearing. Projects that require a demolition permit, use permit, variance, or other land use permit or environmental review are reviewed by the Planning Commission. The Design Review Board takes action on all other projects that require track two review. All track two projects are subject to the coastal development permit requirements of the certified LCP, and a track two design study approval constitutes a coastal development permit. All track two projects require public notice and a hearing.

As stated above, a Use Permit or CDP requires review by the Planning Commission. These permit applications are processed concurrently with the Design Study and do not add to the total process timeframe. Additional findings are required for approval of a Use Permit and CDP, including consistency with General Plan and Local Coastal Plan policies. These required findings are listed in the Zoning Code.

The City has adopted a new Local Coastal Program/Land Use Plan (LCP) that sets goals and policies for development within the Coastal Zone. The California Coastal Commission has certified that the LCP meets the coastal zone requirements. The City will soon adopt an implementation plan that enables the City to issue Coastal Development Permits. This will allow the City to process projects more quickly than would occur with Coastal Commission review.

The permit processing and approval process described may increase the cost of development. To reduce constraints to the production, maintenance and improvement of housing, the City uses expedited review for projects that include affordable housing units and offers incentives such as and reduced planning fees to offset costs.



## B.5.1 Environmental Review Process

State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits, etc.). Costs resulting from fees charged by local government and private consultants needed to complete the environmental analysis, and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental safety to residents of Carmel-by-the-Sea.

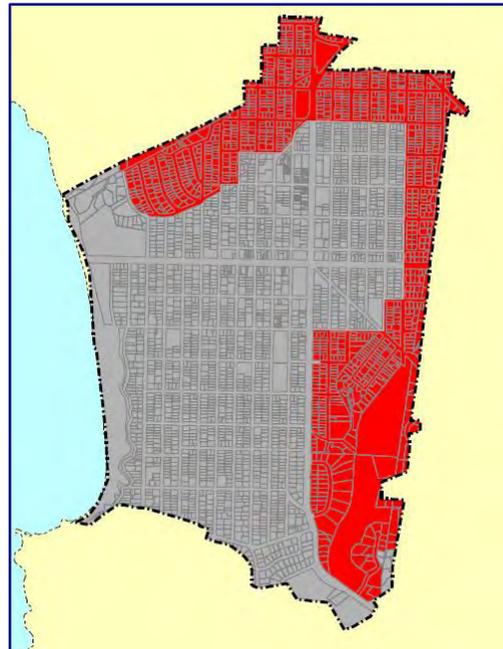
## B.6 Environmental and Infrastructure Constraints

### B.6.1 Environmental Constraints

Environmental constraints affecting housing units include geologic and seismic conditions and fire hazards, which are a threat to the built environment. However, the primary environmental constraint to the development of housing in Carmel-by-the-Sea is the limited water supply. These constraints are discussed in detail below.

#### Fire Hazard

Carmel-by-the-Sea is often referred to as a “Village in the Forest,” due to its extensive urban forest. The high density of structures within the Carmel residential areas and business district among numerous trees increase the fire hazard. In addition, the Pescadero Canyon, Del Monte Forest, and Mission Trails Park located adjacent to the City, introduces the possibility of a wildland fire. The California Department of Forestry and Fire Protection Fire Hazard Severity Zone Local Responsibility Areas (LRA) map for Carmel-by-the-Sea, identifies a large area encompassing northern and eastern portions of the City as a Very High fire hazard severity zone. In such zones, roofs and exterior walls of new buildings must be made of noncombustible materials.



The City of Carmel-by-the-Sea Fire Department (Department) has one fire station equipped with two type one engines and one rescue unit.

The Department’s response time goal is eight minutes. The actual response time for the Department is four minutes or less. Carmel-by-the-Sea is also part of a regional coordination effort with other Monterey County cities, including Pacific Grove and Monterey. These neighboring agencies provide aid to each other on an as-needed basis.



## Geologic and Seismic Hazards

The entire California Coast and Coast Range area is prone to earthquakes. Based on history, the probability of a moderate or high magnitude earthquake occurring in the greater Monterey region in the next few decades is quite likely. Faults that could present hazards to Carmel-by-the-Sea during an earthquake event include the following active or potentially active faults: San Andreas, San Gregorio-Palo Colorado, Chupines, Navy, and Cypress Point. The San Andreas and San Gregorio faults are two dominant faults within the Monterey County region that are considered active with evidence of historic or recent movement.

While the seismic hazards cannot be eliminated, there are a number of regulations that reduce the impact of these hazards. The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to mitigate the hazard of surface faulting to structures for human occupancy, by preventing the construction of buildings used for human occupancy on the surface trace of active faults. The 2007 California Building Code includes provisions associated with engineering design and building requirements that address seismic hazards. In addition, the City of Carmel-by-the-Sea General Plan includes policies, which aim at further understanding and addressing hazards resulting from seismic activity.

## B.6.2 Infrastructure Constraints

### Water Supply

The primary infrastructure constraint to the development of housing in Carmel is the lack of water. The lack of an available water supply has limited growth in Carmel and throughout the Monterey Peninsula region over the last ten years.

Carmel is under the jurisdiction of the Monterey Peninsula Water Management District (MPWMD) and receives its water from the California-American Water Company (Cal-Am).

The MPWMD has permit authority over the production and distribution of all water supplies within the Monterey Peninsula region. The District allocates water supplies to cities and County areas within its jurisdiction. Water service by Cal-Am is constrained by State Water Resources Control Board (SWRCB) Order WR 95-10, which determined that approximately 70 percent of Cal-Am supply is based on unlawful diversion from the Carmel River. Order 95-10 requires that any new water supply be used to reduce diversions from the Carmel River prior to allowing new users. Furthermore, SWRCB issued a Cease and Desist order to Cal-Am in January 2008 to further restrict water use, up to an additional 50 percent, if upheld.

Since 1993, MPWMD has been given a single, lump-sum supply of Cal-AM water to allocate proportionately to the jurisdictions within its boundaries. As of February 2008, 121 of the 342 acre feet of water remain. Some jurisdictions, like the City of Del Rey Oaks, has used up its allocated amount of water, while Carmel-by-the-Sea is close to expending its respective allocation.

There are seven projects currently under discussion as options for providing a new water supply, including a desalination proposals, groundwater replenishment,



and aquifer storage and recovery in the Seaside Basin, to meet the existing as well as future water needs of North Monterey county. However, though these water projects may be able to accommodate planned growth, they would not be in place during the current Housing Element planning period due to the required technical studies, environmental review, and concurrent financing issues.

Although water scarcity and provision of new supply is ultimately beyond the control of the City, the City supports efforts by the MPWMD and other agencies to expand the water supply and has a representative on both the Technical Advisory Committee and the Policy Advisory Committee. The City also cooperated with the District in developing projected water demand needs at build-out for use in the planning of future water projects.

In February 2009, the City Council passed a resolution which states Carmel-by-the-Sea's support for the Water for Monterey County Coalition and continued collaboration of political and quasi-political entities in Monterey. Based on the understanding that Monterey Peninsula's water supply projects require a focused technical and political effort to be resolved, the Coalition is set to provide regional projects and water management programs that focus on sustainable and cost effective water supply solutions.

State law mandates the prioritizing of water for affordable housing. The City's share of water resources is internally allocated to land use categories based on policies in the Land Use and Community Character and Housing Elements of the General Plan. These policies affirm the City's commitment to housing by establishing residential uses (new homes, apartments, and remodeling) as one of the highest priorities with the largest water allocation. In particular, existing subdivided lots zoned for housing should always be considered "first in line" for limited water resources except when this would preclude development of essential public services, recreational uses/facilities, or visitor serving uses consistent with the Coastal Act. New subdivisions of land are limited until existing subdivided lots have a secure water supply. The concept of spreading this limited resource across many properties should be retained so that no single project consumes a disproportionate share of this limited resource. This will maximize the number of units that can be built or approved.

The City has approximately 3.251 acre-feet of available water, of which approximately 1.67 acre-feet are in the City's reserves. The remaining 0.589 acre-feet is only available for affordable housing projects. In the past 5 years the City has allocated approximately 0.308 acre-feet to affordable housing projects. This is the only water available until the District supplies increase and new allocations are made to each city in the District.

In addition, the City's Municipal Code includes specific requirements for water conservation in existing and new developments such as landscaping, plumbing fixtures, irrigation, and the use of free-flowing water conveyances, such as hoses. New development projects and existing structures needing a building permit for substantial proposed construction must meet the City's water conservation requirements.



This Housing Element will include policies to continue to prioritize water allocation for affordable housing.

### **Sewer**

The Carmel Area Wastewater District (District) provides sewer service to the City and outlying areas including the mouth of the Carmel Valley, Carmel Views, a portion of Rancho Rio Vista, Carmel Woods, Mission Fields, Hatton Fields, Quail Meadows and a small portion of the Highlands (Highlands Inn, Tickle Pink Inn and the Highlands Sanitary Assoc.). It also provides wastewater treatment and disposal service, by contract, to the Pebble Beach Community Services District and Point Lobos Reserve.

The District's facilities consist of approximately 80 miles of gravity sewers, interceptors, and force mains, six remote sewage pump stations, and a wastewater treatment plant with secondary treatment for ocean discharge and tertiary (microfiltration and reverse osmosis) treatment to reclaim water for irrigation of golf courses in the Del Monte Forest. The District's permitted capacity is 3.0 million gallons per day (MGD) and their current average daily dry weather flow is 1.8 MGD.

The City is required to plan for additional 32 residential housing units in this planning cycle. Based on discussions with the District and the remaining capacity of approximately 40 percent, the District has adequate treatment capacity to serve these units.

## **B.7 On-Site and Off-Site Improvements**

Another factor that can add to the cost of new construction is the cost of providing adequate infrastructure (major and local streets; water and sewer lines; and street lighting) required to be installed in new residential development. Since Carmel-by-the-Sea is primarily built-out and future development will primarily occur on in-fill sites, the costs associated with developing raw land and improving infrastructure systems usually do not arise in the City. Typical infrastructure costs in the CC, SC, RC, and R-4 districts are limited to sidewalk, curb, and gutter improvements, undergrounding of utility wires, stormwater improvements, and some landscaping.

### **Off-Site Improvements**

The City's Municipal Code does not contain requirements for subdivision off-site improvements. However, the Code includes a chapter on requirements related to streets, sidewalks, and public places.

### **Sidewalks**

Construction of sidewalks is not required in residential areas of the City. If a sidewalk construction is proposed, a permit is required. The proposal must show that the construction of the sidewalk or walkway will preserve public safety, health or welfare, resolve a serious drainage problem, or that it would otherwise benefit the general public. The construction of the sidewalk or walkway must follow the



natural contours of the land, and no less than 50 percent of the sidewalk area in front of any building site must be retained in planting. There are no specific requirements regarding the width of the sidewalks.

### Driveways

Construction of a driveway requires a permit from the Department of Community Planning and Building in conjunction with the Director of Public Works and the Director of Forest, Parks and Beach.

### Landscaping

Sidewalk street trees are encouraged by the City, with the City Forester determining number of trees, species, and exact location. Sidewalk street trees should be located near the head of, and adjacent to, parallel parking spaces with the trunk of the tree located 4.5 feet back from the head of the parking space. For trees at the curb line there should be at least four feet between the trunk and the facing building or planters in front of the building. All tree planters are encouraged to be as large as possible so that additional landscaping can be incorporated into the planters.

The City also encourages including “mini-parks”, which is a park that protrudes into the street from the curb line or is in the street. The design of mini-parks must be consistent with the standards in the Forest and Beach Management Plan. All new mini-park installations require a review by the Staff Traffic Committee and approval by the Planning Commission.

### Streets

The streets in Carmel are narrow in width, 26 to 34 feet, with no gutters or sidewalks. This lack of formal development of streets throughout Carmel (with the exception of some of the downtown thoroughfares) has been a conscious effort on the part of residents to maintain a “village in a forest” atmosphere. The City has not established standardized street widths requirements. As Carmel is a built-out city and new development will occur as infill or redevelopment on parcels within the established street grid, construction of new streets is not anticipated. Therefore, street standards will have no impact on the cost and supply of housing.

## **B.8 Non-Governmental Constraints**

Land costs, construction costs, and market financing contribute to the cost of housing reinvestment, and can potentially hinder the production of new affordable housing. Although many constraints are driven by market forces beyond the City’s control, Carmel retains some leverage in instituting policies and programs to address the constraints.

### **B.8.1 Land and Construction Costs**

Land costs in Carmel-by-the-Sea are elevated due to the high demand for housing, lack of vacant land, and shortage of water for development. The location



of a parcel has a significant impact on its value. As a result, land costs in the community vary significantly depending on location. A standard 4,000 square foot lot zoned for single-family use located in the north and south eastern quarters of the City (east of Junipero Avenue) are valued at approximately \$600,000. Parcels located in the northwestern portion of the City (west of Junipero and north of Ocean Avenue) are valued at approximately \$700,000. Parcels in the southwestern portion of the City (south of Ocean Avenue and west of Sunset Center at San Carlos Street) are valued at approximately \$1,000,000. Parcels with ocean views have much higher prices than the remainder of the City. Parcels along San Antonio Street, located one to two blocks from the ocean, are priced at approximately \$2,500,000. Parcels located along the ocean (Scenic Road) are valued as high as \$5,500,000. Parcels larger than the typical 4,000 square feet exceed the typical values listed above.

Another major cost associated with building a new house is the cost of building materials and labor, which can comprise up to 50 percent or more of the sales price of a home. Construction costs for a typical wood frame single-family house is at minimum \$175 to \$200 per square foot, while custom homes and units with extra amenities are higher. Given the high land costs, homes built in Carmel-by-the-Sea have been primarily high-end custom homes.

### **B.8.2 Availability of Mortgage and Rehabilitation Financing**

The availability of financing affects a person's ability to purchase or improve a home. Interest rates are determined by national policies and economic conditions, and local governments can do little to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchasing opportunities to a broader economic segment of the population. In addition, government insured loan programs may be available to reduce down payment requirements.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. This information is available for the Salinas Metropolitan Service Area (MSA), which encompasses Monterey County. As shown in [Table B-8: Disposition of Home Purchase Loans, 2007](#), of the 5,438 applications for conventional mortgage loans to purchase homes in Salinas MSA, 2,640 were originated (i.e. approved by lenders and accepted by applicants). The number of applications increased as income increased. The percentage of persons denied for a home loan in the Salinas MSA was highest for the very low-income category (52.2 percent denial rate). The overall loan denial rate was 28.1 percent.



**Table B-8: Disposition of Home Purchase Loans, 2007**

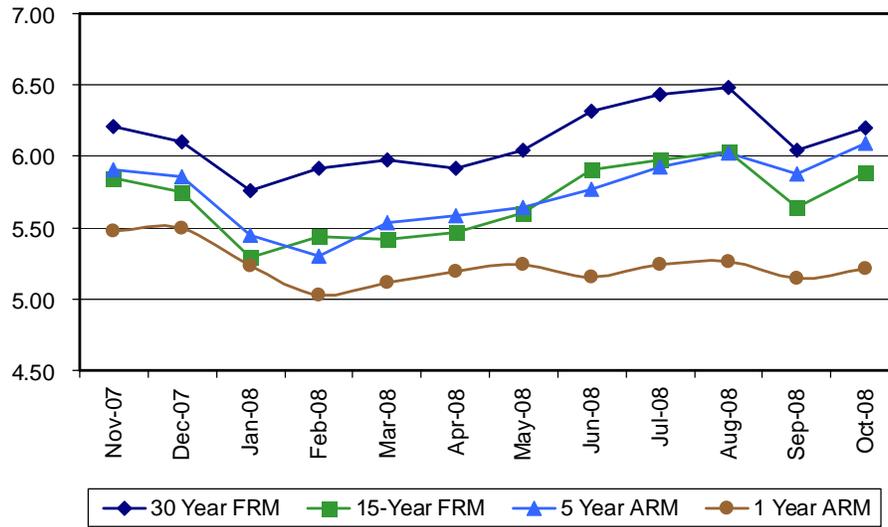
Applicant Income	Conventional Loans			
	Total Apps.	Loans Originated	Applications Denied	Percentage Denied
Very Low < 50% MFI	46	14	24	52.2%
Low Income 50-79% MFI	139	60	55	39.6%
Moderate Income 80 to 99% MFI	162	70	65	40.1%
Moderate Income 100 to 120% MFI	279	135	96	34.4%
Upper Income ≥120% MFI	4,586	2,282	1,226	26.7%
<b>Total *</b>	<b>5,438 *</b>	<b>2,640 *</b>	<b>1,533 *</b>	<b>28.1%</b>
Note: MFI – Median Family Income.				
* The totals are as they were provided by the HMDA and include discrepancies as in the source data. As such, the totals included in this table do not equal the sum of column above.				
Source: Home Mortgage Disclosure Act (HMDA) data, 2007				

**Figure B-1: Mortgage Rates November 2007 – October 2008**, show the average interest rates between November 2007 and October 2008. From November 2007 to January 2008, interest rates decreased. They rose until August 2008 and then decreased again in September 2008. In October 2008, the interest rates increased again.

There have been recent changes in the qualifications and lending standards for home loans. Nationally, there has been a large increase in the number of delinquencies and foreclosures in the residential market; as a result, lenders have more stringent qualifications for home loans and lower income households may find it more difficult to qualify.



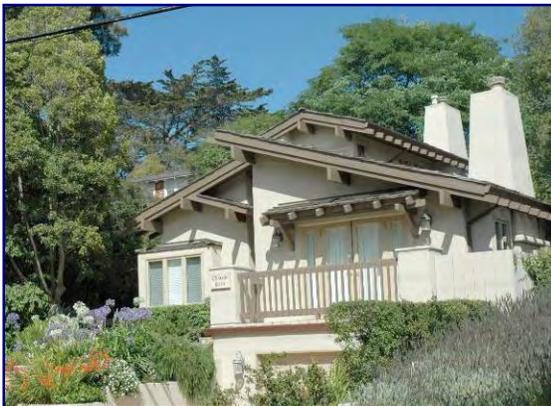
Figure B-1: Mortgage Rates November 2007 – October 2008



Source: Freddie Mac Primary Mortgage Market Survey.



## C HOUSING PROGRAM ACCOMPLISHMENTS



In order to develop an effective housing strategy for the 2007 to 2014 planning period, the City must assess the achievements of its existing housing programs. With this assessment the City can determine the effectiveness and continued appropriateness of the existing programs and make necessary adjustments for the next five years.

### C.1 Evaluation of Accomplishments under the Previous Housing Element

State Housing Element law requires cities to assess the achievements under their adopted housing programs as part of the five-year Housing Element update. These results are quantified where possible (e.g. the number of units rehabilitated), but may be qualitative where necessary (e.g. mitigation of governmental constraints). The results are compared with projected or planned goals from the previous Housing Element. Where significant shortfalls exist



between what was planned and what was achieved, the reasons for such differences are discussed.

Carmel-by-the-Sea's previous Housing Element was adopted in 2003. It set forth a series of objectives with related policies under each of the following goals:

**Goal G3-1. Preserve the existing single-family residential housing stock and provide adequate sites for an increase in the number of housing units.**

**Goal G3-2. Goal G3-2: Preserve all existing residential units in the Commercial and R-4 Districts and encourage the development of new multi-family housing.**

**Goal G3-3. Provide adequate sites for the development of a wide range of housing types for all citizens.**

**Goal G3-4. Protect the stability of residential neighborhoods by preserving the quality of housing and promoting year-round occupancy.**

**Goal G3-5. Preserve and increase housing stock available for low and moderate income households, senior citizens and other special needs groups. Prohibit discrimination in the sale or rental of housing.**

This section reviews the progress in implementing the housing programs since 2003, and their continued appropriateness for the 2007-2014 Housing Element. [Table C-1: Existing Program Accomplishments](#) summarizes the City's housing accomplishments since 2003.



**Table C-1: Existing Program Accomplishments**

Program	Program Description	Evaluation
1. Housing Rehabilitation	A. Provide residential inspection services on an hourly-fee basis.	A. Successful The Building Official is available to perform inspections as requested.
	B. Distribute information to residents on housing inspection services and financing options.	B. Unsuccessful This program has not been implemented.
	C. Perform a windshield survey of housing conditions.	C. Unsuccessful This program has not been implemented.
2. Housing Conservation	A. Bring substandard dwellings into compliance with local and State law to minimize health and safety violations.	A. Successful The Building Official works with property owners to identify and eliminate code compliance problems.
	B. Prepare and disseminate informational brochures identifying maintenance techniques used to upgrade properties.	B. Unsuccessful This program has not been implemented.
3. Conversion of R-1 Motels	Allow R-1 Motels to be converted to permanent residential use and allow motel units lost in conversions to be reestablished in the commercial district.	Successful The City adopted CMC section 17.56.060 allowing for the conversion of R-1 Motels to permanent residential use and the transfer of vacated rooms to the commercial district.
4. Mixed Use development and floor area bonuses	A. Revise the floor area bonus provisions by deleting the incentive for senior housing and restructuring the bonus to favor affordable housing.	A. Successful The City adopted CMC section 17.14.140 allowing for floor area bonuses up to 15% for projects that include affordable housing. No floor area bonus is available for the provision of senior housing.
	B. Prepare a brochure outlining the City's floor area incentive and other incentives.	B. Unsuccessful This program has not been implemented.



Program	Program Description	Evaluation
5. Condominium Conversions	Continue to implement City policies on the prohibition of apartment-to-condominium conversion.	Successful The City continues to implement this policy and no apartments have been converted to condominiums unless a new apartment has also been created to offset the conversion.
6. Adequate Sites	A. Continue to promote a variety of housing types to accommodate the City's share of regional housing growth.	A. Successful. The City's General Plan and Zoning Ordinance promote a wide range of housing types.
	B. Promote the development of residential uses in commercial districts by offering a variety of incentives.	B. Successful. The City continues to encourage and promote residential uses in the commercial district, particularly when part of mixed-use development.
	C. Prepare a brochure to provide technical assistance to property owners relating to adding residential space on existing commercial properties.	C. Unsuccessful. This program has not been implemented.
7. Surplus Sites	Consider the City's housing needs when evaluating the Capital Improvement Program and the use of City-owned sites.	Unsuccessful. This program has not been implemented. This is primarily due to the lack of available water.
9. Removal of Infrastructure Constraints	A. Continue to work with MPWMD and other agencies to develop sufficient infrastructure.	A. Successful. The City continues to work with MPWMD and other agencies to develop new water resources.
	B. Establish a program that requires a portion of any available water to be set aside for affordable housing.	B. Successful. The City has approximately 2.5 acre-feet of unallocated water, of which approximately 1.67 acre-feet are in the City's reserves. The remaining 0.589 acre-feet is only available for affordable housing projects. In the past 5 years the City has allocated approximately 0.308 acre-feet to affordable housing projects.
	C. Monitor infrastructure limitations annually.	C. Successful. The City monitors infrastructure limitations annually.



Program	Program Description	Evaluation
10. Permanent Housing	Continue to prohibit short-term, transient rentals and timeshares of residential dwellings in the R-1 District	Successful The City continues to prohibit timeshares and requires all residential rentals to be for 30-days or more in all districts.
11. Fair Housing Services	A. Cooperate with the California Department of Fair Housing and the Mediation Center of Monterey County to develop and distribute information regarding fair housing laws.	A. Unsuccessful This program has not been implemented.
	B. Continue to implement the provisions of the City Council's Policy Manual, which calls for designing handicapped access ramps on all sidewalks.	B. Successful The Public Works Department has an on-going program for sidewalk repair and for the installation of handicapped accessible ramps. The City also requires developers to make right-of-way improvements as part of project approvals.
12. Senior Housing	A. Identify surplus sites that may be suitable for development as residential housing for seniors and/or low-income households.	A. Successful The City has worked with the Carmel Foundation to rebuild Trevett Court and add 5 additional units.
	B. Annually consider the potential conversion of these sites for residential uses with preparation and adoption of the CIP.	B. Unsuccessful The program has not been implemented.
13. Shared Housing	Seek to expand participation in both of the available programs by distributing informational brochures to the Carmel Foundation and displaying brochures at City Hall and other public buildings.	Unsuccessful This program has not been implemented.
14. Density Bonus	Improve the Density Bonus ordinance to be more consistent with State Law and encourage the creation of more affordable housing units.	Successful This program was implemented as part of the adoption of the Local Coastal Program.



Program	Program Description	Evaluation
15. Subordinate Units	A. Revise Municipal Code to allow Class 4 Subordinate Units as a permitted use.	A. Successful Class 4 Subordinate Units are a permitted use in the R-1 District
	B. Develop incentives to promote creation of subordinate units.	B. Unsuccessful. This program has not been implemented.
	C. Prepare a brochure to provide technical assistance to property owners.	C. Unsuccessful. This program has not been implemented.
16. Reduced Parking Requirements	Revise the parking standards to enhance flexibility by:	A. Unsuccessful. This program has not been implemented.
	A. Reducing the in-lieu fee.	
	B. Expanding the shared parking program to include residences.	B. Unsuccessful. This program has not been implemented.
	C. Considering reducing standards for moderate income units in addition to the existing reduced standards for low- and very low-income units; and D. Reducing parking standards for affordable housing in the R4 and RC districts from 1 space per unit to 0.5.	C-D. Successful The City requires 0.5 spaces per unit for a affordable housing compared with 1 to 1.5 spaces per unit for market-rate units.
17. Reduced Planning Fees	Reduce planning fees for affordable housing project	Successful The City reduces planning fees at the same percentage as the percentage of affordable units in a project
18. Expedited Processing Procedures	Continue to offer expedited review for projects with an affordable housing component	Successful Projects that include affordable housing are expedited through the plan check process.



Program	Program Description	Evaluation
19. Preservation of Assisted Housing Stock	A. Continue to monitor affordability requirements of existing and new affordable housing on an annual basis.	A. Successful The City monitors affordable units on an annual basis.
	B. Revise the Zoning Code to delete the 'sunset clause' allowing approved market-rate units after 20 or 30 years depending on the incentives granted in their creation.	B. Successful There is no 'sunset clause' in the code allowing for the conversion of affordable units to market-rate units.
20. Section 8 Rental Assistance	A. Continue to help publicize the Section 8 program to property owners.	A. Successful The City provides information to the public regarding the Section 8 program.
	B. Support the Monterey County Housing Authority's efforts in applying for additional HUD allocation. Write letters of support to be included in Monterey County Housing Authority's annual application packages to HUD.	B. Successful The City continues to support the Monterey County Housing Authority.
21. Sites for Homeless Shelters and Transitional Housing	Update the zoning code to clearly identify in which zones homeless shelters and transitional housing are allowed.	Successful CMC sections 17.14 and 17.68 clearly identify which zones permit homeless shelters and transitional housing.
22. Housing for Persons with Disabilities	A. Update the zoning code to specifically identify which zones allow group homes and care facilities.	A. Successful CMC sections 17.14 and 17.68 identify zones that allow group homes and care facilities.
	B. The zoning code should be reviewed and revised for ADA compliance and compliance with SB 520.	B. Partially Successful While the Zoning Code does not address ADA compliance, the Building Code does. The City is active in promoting ADA compliance.
23. Resource Conservation	Continue to review development applications taking into consideration conservation techniques and to implement title 24.	A. Successful The City has established strict water conservation measures and continues to implement title 24.



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## C.2 Share of Regional Growth

The Association of Monterey Bay Area Governments (AMBAG) determined that the City of Carmel-by-the-Sea's share of regional housing need was 54 new units between January 1, 2000 and June 30, 2007. [Table C-2: Share of Regional Housing Need and Accomplishments](#), shows the progress toward meeting the identified need during the previous housing cycle.

**Table C-2: Share of Regional Housing Need and Accomplishments**

Income Category	Regional Housing Needs Allocation	New Units Constructed	Percent of Needs Fulfilled
Very Low (0-50 percent AMI)	12	0	0%
Low (51-80 percent AMI)	11	2	18%
Moderate (81-120 percent AMI)	14	0	0%
Upper (>120 percent AMI)	17	36	211%
<b>Total</b>	<b>54</b>	<b>38</b>	

Source: AMBAG. Regional Housing Needs Plan, 2008  
Department of Community Planning and Building, City of Carmel-by-the-Sea, 2008.



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## D WORKSHOP SUMMARY AND COMMENTS



### D.1 Introduction

A community workshop was held on March 24, 2009 in the Vista Lobos Complex community room. The workshop was advertised to the community through flyers, a notice in the newspaper, and direct mailings to the interested agencies and parties.

During the workshop, participants were provided with an overview of the Housing Element Update process and content. Participants, which included residents and community stakeholders, identified and discussed challenges, opportunities and resources related to housing in Carmel-by-the-Sea.

Through the workshop activities, Carmel-by-the-Sea residents and stakeholders revealed a number of common ideas and concerns related to housing. The input received from the community has been organized into topic areas and is summarized in this document. The topic areas are:



- Preserving Community Character
- Housing Availability and Affordability
- Infill and Redevelopment
- Public Participation

## **D.2 Community Topic Areas**

The community topic areas that emerged through the outreach activities are summarized in the following section. A full list of comments received from the participants is included in this Appendix.

### **D.2.1 Preserving Community Character**

Workshop participants were concerned about changing community character. Specifically, residents were concerned about the increased number of second-home owners who reside in Carmel-by-the-Sea occasionally. This trend results in neighborhoods with empty houses and a lowered sense of community.

The participants considered high real-estate prices as one cause of this trend. To address it, they expressed interest in developing a fund or financial incentives that would help local families stay in Carmel-by-the-Sea, and increase the number of permanent residents in the City.

### **D.2.2 Housing Availability and Affordability**

Affordability of both rental and ownership housing in Carmel-by-the-Sea is seen as a major challenge. Many of the comments received at the workshop related to the affordability of housing in Carmel-by-the-Sea, specifically lack of low cost housing for those working in the City. The participants identified that there is a lack of will to produce low-cost housing.

Some participants suggested that many of the affordable residences convert to market rate when the units undergo an upgrade. Workshop participants expressed that they would like the deteriorated affordable units rehabilitated and preserved. Participants would also like to see some of the affordable units built in the prime “view and neighborhood” areas of the City.

Participants provided some ideas for provision of affordable/special needs housing within the City. Converting some of the Bed & Breakfast facilities into an elderly care facility was suggested. Another idea focused on mixed use developments that may be easier to finance than a residential-only project. Finally, it was suggested that some of the underutilized City facilities (structures and land) could be used to meet some of the lower income housing needs.

Workshop participants identified that there is a lack of housing for the homeless and for the City’s artists. Arts have a long history in the City and many participants felt that the City should optimize number of units for those in the arts.



### **D.2.3 Infill and Redevelopment**

Lack of redevelopment funds and available land were identified as challenges to development. However, participants suggested that there are opportunities for partnership between private and non-profit entities. For example, the Carmel Foundation could partner with a housing developer for additional financing, which could add to the donations of land and endowment that the Foundation receives.

Lack of water was also identified as a challenge. To facilitate affordable housing development, the participants suggested allowing water credit transfers for developments focusing on affordability. Collaborating with other communities in the Peninsula to allow transfer of water credits for affordable housing was another idea.

The participants expressed that the health and welfare of the environment cannot be forgotten in any aspect of development.

### **D.2.4 Public Participation**

Many of the workshop attendees expressed an interest in increasing communication between residents and the City. Some of the community workshop participants expressed interest in extending the public participation process for the Carmel-by-the-Sea Housing Element Update. The participants suggested early involvement of the public in the process and a town-hall style meeting, as well as phone call noticing.



## D.3 Verbatim Comments and Notes

### D.3.1 March 24, 2009 Public Workshop

#### Challenges

##### Empty/Vacation homes

- Too many empty houses- ghost town
- Too many vacation homes- need more residents

##### Public participation

- Public participation early in the process

##### Keeping character

- Keeping character of the community

##### Water

- Water issues work to allow transfer of water credits to facilitate affordable housing.

##### \$\$ For development

- Lack of redevelopment money

##### Land

- Land availability
- Property- where donations of property for affordable elderly housing.

##### Affordability

- Low cost housing
- Affordability
- Lack of desire to produce affordable housing
- Lack of housing for those working in city.
- Establish affordable housing to meet existing demand.

##### Upgrading while preserving

- Upgrading deteriorated units without conversion to expensive second homes for wealthy.

#### Opportunities

##### Types of housing

- Elderly care
  - -Changing a B&B into an elderly care facility.
- Mixed use/income
  - -Mixed use mixed income possible solution via a variety of funding resources.



- Artist housing (regional outlook)
  - -City is home to the “Arts” optimize number of units for those in the arts (studios)

#### Participation

- Town hall meeting- invite locals- get feedback
- Phone call notice

#### Homeless facility

- A designated place for the homeless

#### \$\$ To stay

- Financial incentives to keep families in Carmel (don't ask me how)
- Local fund to assist families or existing locals to affordable housing.

#### Rehab of existing

- Deteriorated units that need upgrading

#### Housing availability

- Make prime “view & neighborhood” conditions more available to moderate or low-income units.
- How to finance it?

#### Consider environment

- Emphasize environmentally sensitive aspects in new & existing units.
- Grey water for irrigation
- Green building demo & reconstruction.

#### Partnership

- Money-private & non profit partnerships
- Donations of land and endowment to Carmel foundation partner with housing developer for additional financing.
- Work on collaborating with other communities (Peninsula) to allow transfer of water credits for affordable housing.

#### **Miscellaneous Comments**

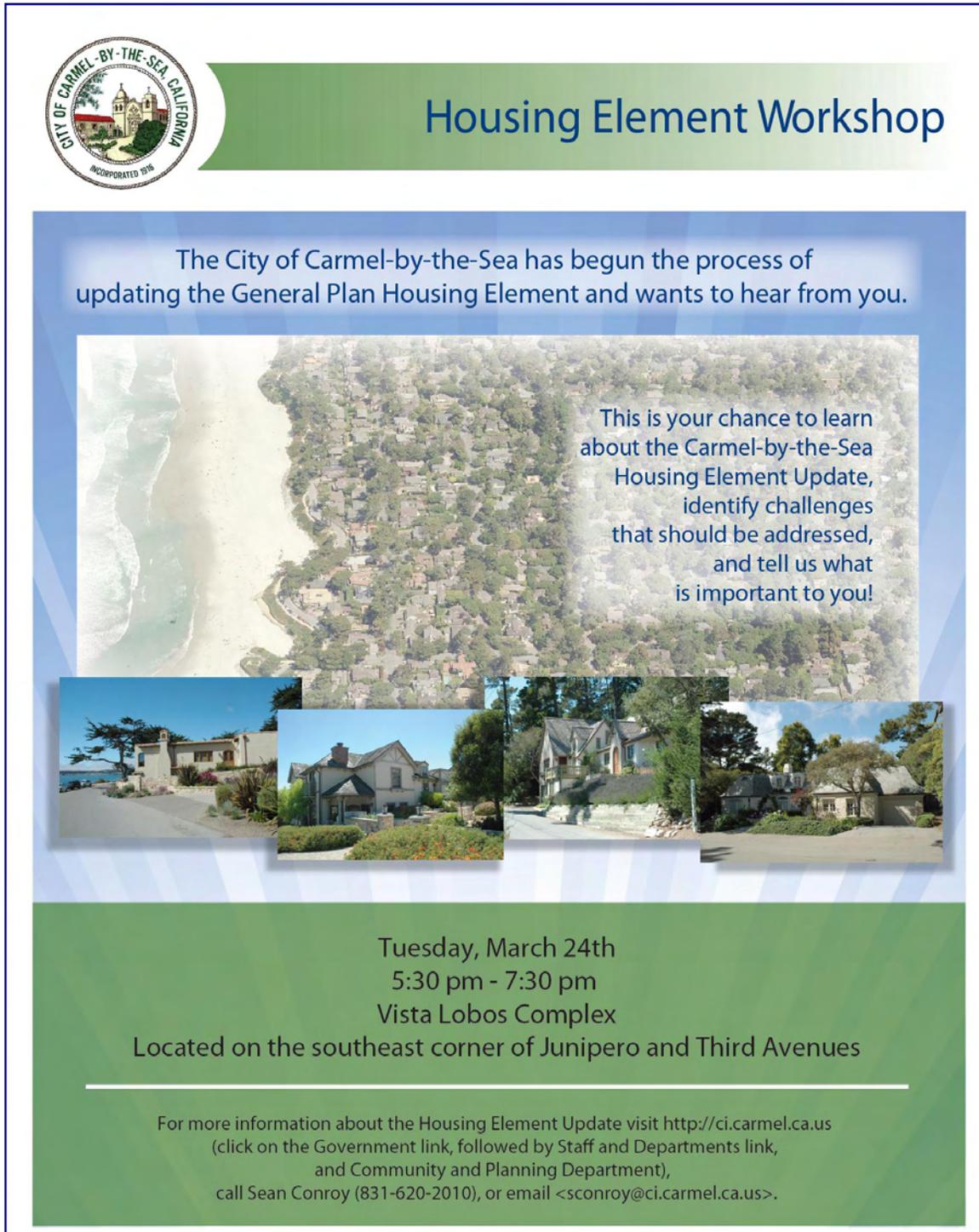
- Use city facilities (structure & land) for lower income housing.
- Universal design
- Mixed use (residential over commercial)
- Housing for city workers
- Partnership to get financing for housing.



## D.4 Public Workshop Noticing

### D.4.1 Public Workshop Flyer

The following flyer was posted on the City's webpage, as well as public venues such as the City Hall, Library, and the Post Office. The flyer was also a part of the mailing to local organizations.



The flyer is titled "Housing Element Workshop" and features the City of Carmel-by-the-Sea logo in the top left corner. The main text reads: "The City of Carmel-by-the-Sea has begun the process of updating the General Plan Housing Element and wants to hear from you." Below this is a large aerial photograph of the city, with a text box on the right stating: "This is your chance to learn about the Carmel-by-the-Sea Housing Element Update, identify challenges that should be addressed, and tell us what is important to you!" At the bottom of the flyer, there are four small photographs of residential houses. The event details are listed as: "Tuesday, March 24th, 5:30 pm - 7:30 pm, Vista Lobos Complex, Located on the southeast corner of Junipero and Third Avenues." For more information, the flyer provides the website <http://ci.carmel.ca.us> and contact information for Sean Conroy: (831-620-2010) or email <[sconroy@ci.carmel.ca.us](mailto:sconroy@ci.carmel.ca.us)>.



### D.4.2 Newspaper Notice

The following public notice was published on March 20<sup>th</sup>, 2009, in *The Carmel Pine Cone*, a local, free newspaper.

March 20, 2009	The Carmel Pine Cone	23A	
<b>• PUBLIC NOTICES • PUBLIC NOTICES</b>			
<p><b>UNITY</b> <b>ICCWPP)</b> <b>S</b></p> <p>n at the Big Sur Lodge dden Valley facility in the e Monterey Fairgrounds</p> <p>r the MCCWPP. Your par- ocument that will assist in</p> <p>e at the MFSC website and t our website at www.fire-</p> <p>h at 9:00am at the CalFire ispatch Center behind the</p>	<div style="text-align: center;"> <h2 style="margin: 0;">Public Notice</h2> </div> <p><b><u>Housing Element Workshop</u></b></p> <p>The City of Carmel-by-the-Sea will be conducting a public workshop on <b>Tuesday, March 24th 2009</b> at the Vista Lobos Complex located on the southeast corner of Junipero and Third avenues to receive input regarding the Housing Element update. The workshop will begin at 5:30 p.m.</p> <p>The Housing Element is part of the General Plan and is updated every five years. The update is intended to achieve the following objectives as set forth in state law:</p> <ol style="list-style-type: none"> <li>1. Identify adequate sites for a range of housing opportunities;</li> <li>2. Facilitate the development of adequate and affordable housing;</li> <li>3. Address constraints to meeting the City's housing needs;</li> <li>4. Conserve and improve the condition of the City's existing housing stock; and</li> <li>5. Promote housing opportunities for all persons.</li> </ol> <p>This workshop will be your opportunity to learn about the process and identify challenges and goals that should be addressed in the project. For more information, or to pick up a copy of the agenda for the meeting, please call (831)620-2010 or visit the Department of Community Planning and Building located at City Hall.</p> <p>Publication date: March 20, 2009 (PC318)</p>		
<p>of Official Records in the office of the recorder of MONTEREY County CALIFORNIA. YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED NOVEMBER 30, 2006. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN</p>	<p>The independent administration authority will be granted unless an interested person files an objection to the petition and shows good cause why the court should not grant the authority.</p> <p><b>A hearing on the petition will</b></p>	<p>uled to be heard and must appear at the hearing to show cause why the petition should not be granted. If no written objection is timely filed, the court may grant the petition without a hearing.</p> <p><b>NOTICE OF HEARING:</b> DATE: April 17, 2009 TIME: 9:00 a.m.</p>	<p>Property Address is purported to be: 1242 SIDDAL CT SEASIDE, CA 93955-0000 APN #: 012-351-25 The total amount secured by said instrument as of the time of initial publication of this notice is \$554,238.65, which includes the total amount of the unpaid balance (including accrued and unpaid interest)</p>



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## E. GLOSSARY OF TERMS

**Above-Moderate Income Household.** A household with an annual income usually greater than 120 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available legibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

**Apartment.** An apartment is one (1) or more rooms in an apartment house or dwelling occupied or intended or designated for occupancy by one (1) family for sleeping or living purposes and containing one (1) kitchen.

**Assisted Housing.** Generally multi-family rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs including, but not limited to Federal state, or local housing programs including, but not limited to Federal Section 8 (new construction, substantial rehabilitation, and loan management set-asides), Federal Sections 213, 236, and 202, Federal Section 221 (d) (3) (below-market interest rate program), Federal Section 101 (rent supplement assistance), CDBG, FmHA Section 515, multi-family mortgage revenue bond programs, local redevelopment and in lieu fee programs, and units developed pursuant to local inclusionary housing and density bonus programs.

**Below-Market-Rate (BMR).** Any housing unit specifically priced to be sold or rented to low- or moderate-income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as "low income" or "moderate income." (2) The financing of housing at less than prevailing interest rates.

**Build-Out.** That level of urban development characterized by full occupancy of all developable sites in accordance with the General Plan; the maximum level of development envisioned by the General Plan. Build-out does not assume that each parcel is developed to include all floor area or housing units possible under zoning regulations.

**Community Development Block Grant (CDBG).** A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitlement communities and by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development



**Condominium.** A structure of two or more units, the interior spaces of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units. (See “Townhouse.”)

**Covenants, Conditions, and Restrictions (CC&Rs).** A term used to describe restrictive limitations that may be placed on property and its use, and which usually are made a condition of holding title or lease.

**Deed.** A legal document which affects the transfer of ownership of real estate from the seller to the buyer.

**Density Bonus.** The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity at the same site or at another location.

**Density, Residential.** The number of permanent residential dwelling units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre.

**Developable Land.** Land that is suitable as a location for structures and that can be developed free of hazards to, and without disruption of, or significant impact on, natural resource areas.

**Down Payment.** Money paid by a buyer from his own funds, as opposed to that portion of the purchase price which is financed.

**Duplex.** A detached building under single ownership that is designed for occupation as the residence of two families living independently of each other.

**Dwelling Unit (du).** A building or portion of a building containing one or more rooms, designed for or used by one family for living or sleeping purposes, and having a separate bathroom and only one kitchen or kitchenette. See Housing Unit.

**Elderly Housing.** Typically one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.

**Emergency Shelter.** A facility that provides immediate and short-term housing and supplemental services for the homeless. Shelters come in many sizes, but an optimum size is considered to be 20 to 40 beds. Supplemental services may include food, counseling, and access to other social programs. (See “Homeless” and “Transitional Housing.”)

**Extremely-Low Income Household.** A household with an annual income equal to or less than 30 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits



established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

**Fair Market Rent.** The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposes of administering the Section 8 Housing Program.

**Family.** (1) Two or more persons related by birth, marriage, or adoption [U.S. Bureau of the Census]. (2) An individual or a group of persons living together who constitute a bona fide single-family housekeeping unit in a dwelling unit, not including a fraternity, sorority, club, or other group of persons occupying a hotel, lodging house or institution of any kind [California].

**General Plan.** A comprehensive, long-term plan mandated by State Planning Law for the physical development of a city or county and any land outside its boundaries which, in its judgment, bears relation to its planning. The plan shall consist of seven required elements: land use, circulation, open space, conservation, housing, safety, and noise. The plan must include a statement of development policies and a diagram or diagrams illustrating the policies.

**Goal.** A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

**Green Building.** Green or sustainable building is the practice of creating healthier and more resource-efficient models of construction, renovation, operation, maintenance, and demolition. (US Environmental Protection Agency)

**Historic Preservation.** The preservation of historically significant structures and neighborhoods until such time as, and in order to facilitate, restoration and rehabilitation of the building(s) to a former condition.

**Historic Property.** A historic property is a structure or site that has significant historic, architectural, or cultural value.

**Household.** All those persons—related or unrelated—who occupy a single housing unit. (See “Family.”)

**Housing and Community Development Department (HCD).** The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

**Housing Element.** One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Under State law, Housing Elements must be updated every five years.



**Housing Payment.** For ownership housing, this is defined as the mortgage payment, property taxes, insurance and utilities. For rental housing this is defined as rent and utilities.

**Housing Ratio.** The ratio of the monthly housing payment to total gross monthly income. Also Called Payment-to-Income Ratio or Front-End Ratio.

**Housing Unit.** The place of permanent or customary abode of a person or family. A housing unit may be a single-family dwelling, a multi-family dwelling, a condominium, a modular home, a mobile home, a cooperative, or any other residential unit considered real property under State law.

**Housing and Urban Development, U.S. Department of (HUD).** A cabinet-level department of the federal government that administers housing and community development programs.

**Implementing Policies.** The City's statements of its commitments to consistent actions.

**Implementation.** Actions, procedures, programs, or techniques that carry out policies.

**Infill Development.** The development of new housing or other buildings on scattered vacant lots in a built-up area or on new building parcels created by permitted lot splits.

**Jobs-Housing Balance.** A ration used to describe the adequacy of the housing supply within a defined area to meet the needs of persons working within the same area. The General Plan uses ABAG's definition which is a job total equal to 1.2 times the number of housing units within the area under consideration.

**Land Use Classification.** A system for classifying and designating the appropriate use of properties.

**Live-Work Units.** Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.

**Low Income Household.** A household with an annual income usually no greater than 51-80 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

**Low Income Housing Tax Credits.** Tax reductions provided by the federal and State governments for investors in housing for low-income households.



**Manufactured Housing.** Residential structures that are constructed entirely in the factory, and which since June 15, 1976, have been regulated by the federal Manufactured Home Construction and Safety Standards Act of 1974 under the administration of the U. S. Department of Housing and Urban Development (HUD). (See “Mobile Home” and “Modular Unit.”)

**Mixed-use.** Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A “single site” may include contiguous properties.

**Moderate Income Household.** A household with an annual income usually no greater than 81-120 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

**Monthly Housing Expense.** Total principal, interest, taxes, and insurance paid by the borrower on a monthly basis. Used with gross income to determine affordability.

**Multiple Family Building.** A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.

**Ordinance.** A law or regulation set forth and adopted by a governmental authority, usually a city or county.

**Overcrowding Housing Unit.** A housing unit in which the members of the household, or group, are prevented from the enjoyment of privacy because of small room size and housing size. The U.S. Bureau of Census defines an overcrowded housing unit as one which is occupied by more than one person per room.

**Parcel.** A lot or tract of land.

**Planning Area.** The area directly addressed by the general plan. A city’s planning area typically encompasses the city limits and potentially annexable land within its sphere of influence.

**Policy.** A specific statement of principle or of guiding actions that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its objectives before undertaking an action program. (See “Program.”)

**Poverty Level.** As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or “poverty thresholds” varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.



**Program.** An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and programs establish the “who,” “how” and “when” for carrying out the “what” and “where” of goals and objectives.

**Redevelop.** To demolish existing buildings; or to increase the overall floor area existing on a property; or both; irrespective of whether a change occurs in land use.

**Regional.** Pertaining to activities or economies at a scale greater than that of a single jurisdiction, and affecting a broad geographic area.

**Regional Housing Needs Assessment.** A quantification by ABAG of existing and projected housing need, by household income group, for all localities within a region.

**Rehabilitation.** The repair, preservation, and/or improvement of substandard housing.

**Residential.** Land designated in the General Plan and zoning ordinance for building consisting of dwelling units. May be improved, vacant, or unimproved. (See “Dwelling Unit.”)

**Residential Care Facility.** A facility that provides 24-hour care and supervision to its residents.

**Residential, Multiple Family.** Usually three or more dwelling units on a single site, which may be in the same or separate buildings.

**Residential, Single-Family.** A single dwelling unit on a building site.

**Retrofit.** To add materials and/or devices to an existing building or system to improve its operation, safety, or efficiency. Buildings have been retrofitted to use solar energy and to strengthen their ability to withstand earthquakes, for example.

**Rezoning.** An amendment to the map to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.

**Second Unit.** A Self-contained living unit, either attached to or detached form, and in addition to, the primary residential unit on a single lot. “Granny Flat” is one type of second unit.

**Section 8 Rental Assistance Program.** A federal (HUD) rent-subsidy program that is one of the main sources of federal housing assistance for low-income households. The program operates by providing “housing assistance payments” to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by HUD) and the household’s contribution toward the rent, which is calculated at 30 percent of the household’s



adjusted gross monthly income (GMI). "Section 8" includes programs for new construction, existing housing, and substantial or moderate housing rehabilitation.

**Shared Living.** The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and provide social contact, mutual support, and assistance. Shared living facilities serving six or fewer persons are permitted in all residential districts by §1566.3 of the California Health and Safety Code.

**Single-Family Dwelling, Attached.** A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit. (See "Townhouse.")

**Single-Family Dwelling, Detached.** A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use. (See "Family.")

**Single Room Occupancy (SRO).** A single room, typically 80-250 square feet, with a sink and closet, but which requires the occupant to share a communal bathroom, shower, and kitchen.

**Subsidize.** To assist by payment of a sum of money or by the granting to terms or favors that reduces the need for monetary expenditures. Housing subsidies may take the forms of mortgage interest deductions or tax credits from federal and/or state income taxes, sale or lease at less than market value of land to be used for the construction of housing, payments to supplement a minimum affordable rent, and the like.

**Substandard Housing.** Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

**Supportive Housing.** Housing with no limit on length of stay, that is occupied by the target population as defined in California Health and Safety Code Section 53260(d), and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. "Target population" means adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. [California Health and Safety Code Sections 50675.14(b) and 53260(d)]

**Target Areas.** Specifically designated sections of the community where loans and grants are made to bring about a specific outcome, such as the rehabilitation of housing affordable by Very-Low and Low-income households.



**Tax Increment.** Additional tax revenues that result from increases in property values within a redevelopment area. State law permits the tax increment to be earmarked for redevelopment purposes but requires at least 20 percent to be used to increase and improve the community's supply of very low and low income housing.

**Tenure.** A housing unit is "owned" if the owner or co-owner lives in the unit, even if it is "owned only if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

**Townhouse.** A townhouse is a dwelling unit located in a group of three (3) or more attached dwelling units with no dwelling unit located above or below another and with each dwelling unit having its own exterior entrance.

**Transitional Housing.** Shelter provided to the homeless for an extended period, often as long as 18 months, and generally integrated with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of a stable income and permanent housing. (See "homeless" and "Emergency Shelter.")

**Undevelopable.** Specific areas where topographic, geologic, and/or superficial soil conditions indicate a significant danger to future occupants and a liability to the City are designated as "undevelopable" by the City.

**Very-Low Income Household.** A household with an annual income usually no greater than 31-50 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.



## Acronyms Used

<b>ACS:</b>	American Community Survey
<b>AMBAG:</b>	Association of Monterey Bay Area Governments
<b>BMPs:</b>	Best Management Practices
<b>CALTRANS:</b>	California Department of Transportation
<b>CEQA:</b>	California Environmental Quality Act
<b>CHAS:</b>	Comprehensive Housing Affordability Strategy
<b>CIP:</b>	Capital Improvement Program
<b>DIF:</b>	Development Impact Fee
<b>DOF:</b>	Department of Finance
<b>DU/ac:</b>	Dwelling units per acre
<b>EDD:</b>	California Employment Development Department
<b>FAR:</b>	Floor Area Ratio
<b>FEMA:</b>	Federal Emergency Management Agency
<b>HCD:</b>	Department of Housing and Community Development
<b>HOA:</b>	Homeowners Association
<b>HUD:</b>	Department of Housing and Urban Development
<b>LAFCO:</b>	Local Agency Formation Commission
<b>MFI:</b>	Median Family Income
<b>NPDES:</b>	National Pollutant Discharge Elimination System
<b>RHNA:</b>	Regional Housing Needs Allocation
<b>RTP:</b>	Regional Transportation Plan
<b>STF:</b>	Summary Tape File (U.S. Census)
<b>TOD:</b>	Transit-Oriented Development
<b>TDM:</b>	Transportation Demand Management
<b>TSM:</b>	Transportation Systems Management
<b>WCP:</b>	Water Conservation Plan



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